

2003-2004 ANNUAL REPORT FOR THE COMMUNITY



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Chairman's Message

It is with some degree of satisfaction that I present this Annual Report 2003-04 for the City of Joondalup, marking the first six months of the appointment of myself and my fellow Commissioners.

I am pleased to report that it is a period in which stability has been restored at the City, and the business of local government is once again functioning smoothly.

For history's sake, we should record that the City was officially informed by the Minister for Local Government on 5 December 2003 of the suspension of its Council and the appointment of five Commissioners to oversee the City's administration.

The Minister said he was disappointed the suspension was necessary and that he had given the Council every chance to resolve the conflicts which had made it dysfunctional.

The suspension was approved by the Governor, Lt General John Sanderson that same morning.



The Commissioners

In his announcement, the Minister said the five Commissioners would be appointed for a term of up to two years. They are:



- Chairman John Paterson, an experienced and respected practitioner in local government;



- Allan Drake-Brockman, deputy chairman, a barrister and solicitor with substantial experience in employer/employee relations;



- Michael Anderson, a chartered accountant and a member of the board of the State Supply Commission;



- Ms Anne Fox, an organisational change management specialist, an executive in health care with strong team-building expertise, who is a resident of the City of Joondalup;



- Ms Steve Smith, who has considerable experience in local government management.

New Deputy Chairman

On 8 June 2004, it was announced that



- Mr Peter Clough would replace Mr Allan Drake-Brockman as Commissioner and Deputy Chairperson for the City of Joondalup.

As well as being a City of Joondalup resident, Mr Clough is an experienced corporate professional who brings valuable knowledge and expertise to the role.

Local Government Minister Tom Stephens said Mr Drake-Brockman had resigned from his position due to work and personal commitments, thanking him for his significant contribution towards restoring good governance in the City of Joondalup.

I would like to add my thanks to Commissioner Drake-Brockman and publicly thank all the Commissioners for the expertise and responsibility they have brought to the task of restoring good governance to the City of Joondalup and their tireless application to the task at hand.

Restoring Order

In setting out to restore a sense of order, my fellow Commissioners and I were delighted with community response and support.

The community obviously saw us as an impartial 'new broom' providing strong leadership to sweep away the past and restore good governance and stability.

It was crucial to restore confidence that the administration of the City's affairs could be run properly and professionally -- and I feel we have been able to achieve that.

I must remark that the support and service the Commissioners have received from the City's Administration, under acting Chief Executive Officer Clayton Higham, has been outstanding.



Clean Slate

As part of a clean slate for the City, Mr Higham was appointed in an acting capacity following the resignation of Chief Executive Officer Denis Smith in March 2004.

The Commissioners had been in office less than 100 days and I believe we had been able to achieve our two major objectives, restoring good governance and resolving the CEO issue.

At all times when considering this matter, we had four options – for the CEO to continue his contract, summary dismissal, termination with a payout or a negotiated settlement. In negotiating a settlement, the Commissioners and I believe we have achieved the best option to give the City a fresh start.

The Commissioners will hold office until, following the report of a Panel of Inquiry, the suspended Council is reinstated or, if the suspended Council is dismissed, until a new Council is elected.

The Inquiry is to begin in July 2004 and the Minister anticipated that all the issues would be resolved before the next local government elections scheduled for May 2005.

Despite these events, it would be remiss of me not to remark on the good work of the former Council – such as laying the foundations for a sister city relationship with Jinan in China and the \$10 million refurbishment of Craigie Leisure Centre, projects that the Commissioners are bringing to completion.

Major projects already committed to by the former Council, like Craigie and the new \$11 million works depot at Hodges Drive, placed some strains on the Commissioners in the budgetary process but I believe these projects are for the long-term benefit of the community.

Joondalup is an exciting young City with enormous potential and it wants to be able to go forward without any divisive issues hanging over its head.

I believe we are now in that position.

John Paterson
Chairman of Commissioners
City of Joondalup

Message from the CEO



May I begin my report for the year 2003-04 by welcoming Chairman John Paterson and his fellow Commissioners to the City of Joondalup.

Theirs has not been an easy task since the suspension of the Council in December 2003 but their presence has restored stability and shifted the focus of the City back to serving our 160,000 residents in 22 suburbs - from Burns Beach in the north to Marmion and Warwick in the south.

I am most pleased to have been appointed Acting Chief Executive Officer and the faith shown in me by the Commissioners is a reflection of the regard in which they hold all the officers of the City of Joondalup.

Under considerable pressure due to events outside of their control, the staff have continued to strive to ensure that the City continues to perform its core function of serving the community.

As the Chairman said in an official statement, the efforts of the staff have been commendable and a major factor in the restoration of stability to the City of Joondalup. I thank the staff, the Commissioners and residents for their support.

It is very pleasing that grassroots community support for the City remains high with 73% of residents expressing overall satisfaction with the council, and even higher satisfaction levels with the many services we provide.

It seems they have not allowed the events of this past financial year to overshadow the real achievements that continue to be made by the City of Joondalup for its residents, including:

Craigie Leisure Centre

All systems are set in place for a September 2004 start for the major refurbishment. We are looking at a 48-week building program - which will have the project finished around August 2005. An investment by the City of Joondalup of approximately \$10 million will ensure a top-class health and fitness centre for residents.



New Works Depot

The City of Joondalup plans to incorporate cutting edge environmentally sensitive design (ESD) principles into our new \$11 - million works depot. The ultra-modern depot will house the City's outdoor staff, plant and machinery and will be built on the corner of the northern end of the Mitchell Freeway and Hodges Drive. Community comment was sought on the project with the forecast operational date around August/September 2005.



City Watch

The City of Joondalup continued its investment in the security of residents, funding City Watch, Council's own security patrol service for our 157,000 residents.



Joondalup Festival

On the cultural front, our summer series of events and festivals for children, youth and families were again well attended while the Joondalup Festival continued to gain stature as one of the major community festivals in the state.

Joondalup Festival 2004 celebrated the region's cultural diversity with the theme 'Global Village' and was again a great success.



Environment

The City was awarded the 2003 WA Environmental Award for its work in coastal management. Our environment is an asset the City values and we appreciate our partnership with community groups.



Financial

In 2003-04 we raised \$42.6million in general rates from our 57,058 rateable properties, towards the City's total budgeted expenditure of \$112million and these projects were above and beyond our capital works budget of \$12.1million for parks, building projects and road improvement and resurfacing.

As we move into the next financial year, it must be conceded that the demands for documents and information by the Inquiry into the former Council will place extra pressure on some staff – but I am confident they will deal with it well.

Whilst we have made thorough plans to be as prepared as possible for the Inquiry and are cooperating fully, we will put all our efforts into our primary task of serving the residents of the City of Joondalup.

Clayton Higham
Acting Chief Executive Officer
City of Joondalup

The City's Strategic Plan 2003-2008

The Strategic Plan 2003-2008 has been developed following considerable input from stakeholders, elected members and staff at the City of Joondalup.

Our Vision

To be 'a sustainable City and community that are recognised as innovative, unique and diverse'.

Our Mission

To plan, develop and enhance a range of community lifestyles to meet community expectations.

Our Corporate Values

Vibrancy

- We will work with stakeholders to create a vibrant City Centre and community
- We will be dynamic and flexible

Innovation

- We will provide innovative programs and services
- We will have a strong team spirit to generate positive ideas
- We will develop a culture of innovation and excellence

Responsiveness

- We will respond to changing community needs
- We will promote a sense of community spirit and ownership

Respect

- We will acknowledge community and individual opinions
- We will respect community and individual contributions

Trust

- We will have an environment of openness and transparency
- We will make information accessible

Safety

- We will work towards the development of a safe and secure environment
- We will develop partnerships

Our Key Focus Areas

The City's Strategic Plan 2003-2008 addresses the four Key Focus Areas.

COMMUNITY WELLBEING

The City is contributing to a positive future for the community by providing a safe environment that meets the changing expectations of the community. The City will continue to develop as a cultural centre for the region and will provide access to lifelong learning opportunities to all members of the community.

CARING FOR THE ENVIRONMENT

The City of Joondalup is recognised as a leader in environmental sustainability, and continues to promote and enjoy a lifestyle which encourages social and economic sustainability.

CITY DEVELOPMENT

To ensure a sustainable community, the City provides and maintains our built environment. The City will work in conjunction with associations to plan efficient transport means. Tourism is also seen as an important economic development for the community.

ORGANISATIONAL DEVELOPMENT

The City will maintain good leadership by ensuring all staff are informed, there are clear lines of communication and the participation of staff at all levels in decision-making processes.

The City recognises the importance of leadership and the development of organisational capabilities in achieving its objectives.

City Facts

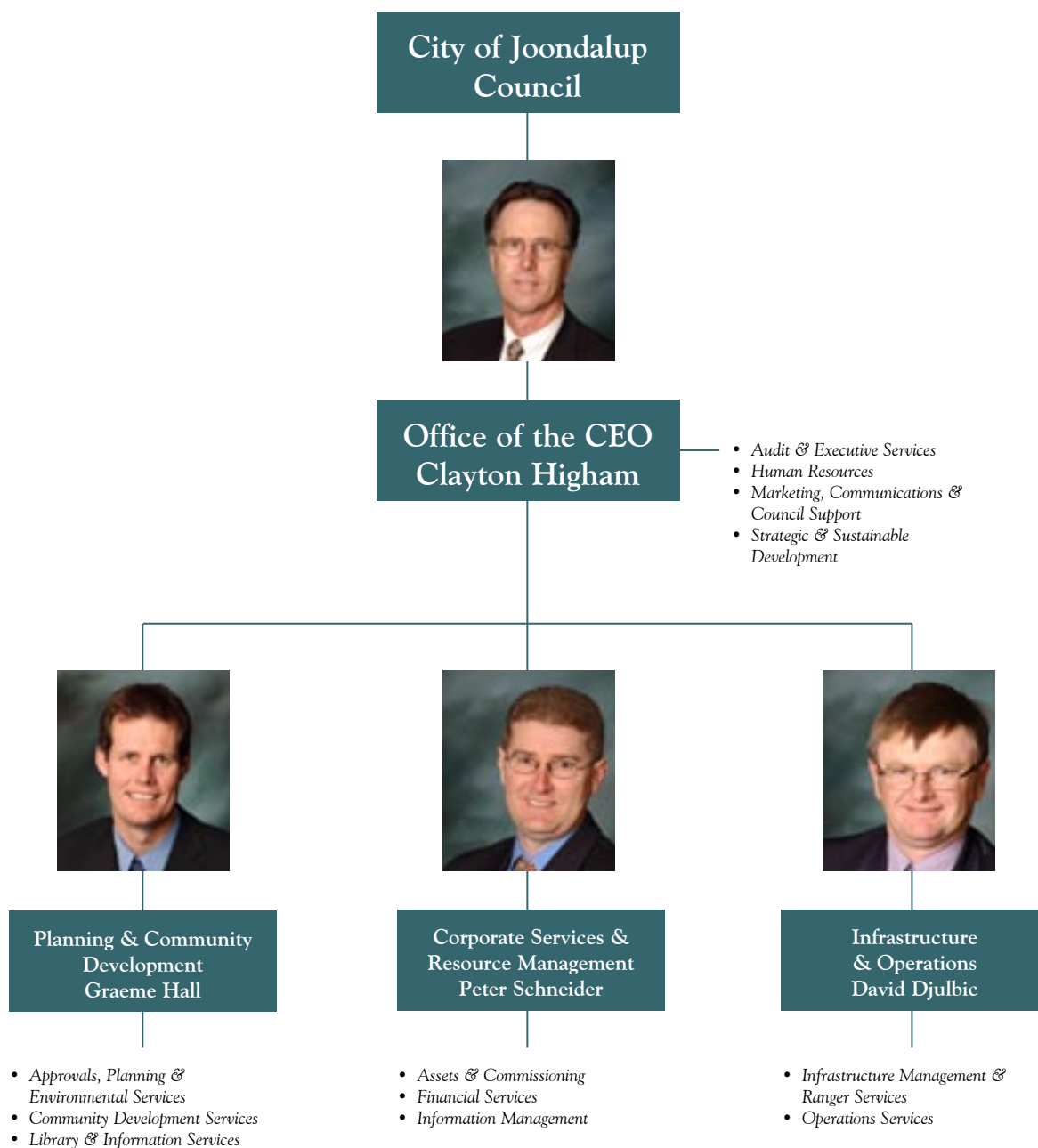
Distance from Perth	26km
Area	96.8 sq km
Length of coastline	17.416km
Estimated population (Source: ABS Census 2001)	156,964
Number of rateable properties	57,479
Area of public open space	
- Reticulated and dry parks	591.89 hectares
- Conservation/bushland (excluding foreshore)	175.27 hectares
Total rate revenue	\$42.6 million
Total expenditure	\$100.2 million

This Annual Report outlines the City's achievements according to the four key focus areas: Community Wellbeing, Caring for the Environment, City Development & Organisational Development.

City of Joondalup Organisational Structure



Commissioner Anne Fox, Commissioner Peter Clough, Commissioner John Paterson, Commissioner Michael Anderson and Commissioner Steve Smith



Performance Measures

The City of Joondalup uses some key tools to measure and monitor performance, and these results are used to improve service and facilities.

Statistics

Service usage, travel statistics and feedback are collated and tracked throughout the year to monitor and improve service delivery where possible.

Customer Satisfaction Levels (external)

The Customer Satisfaction Monitor is conducted annually in May to determine:

- overall satisfaction with the City of Joondalup;
- perceived importance and satisfaction for many services and facilities; and
- benchmark against other Councils in Western Australia (LGA syndicate).

The survey involved a telephone questionnaire to a representative sample of 500 residents in the City of Joondalup. This is statistically proven to show that if we surveyed all residents in the City of Joondalup, we can be 95% confident that the results would only vary by 4.38% (+/-).

1. The City of Joondalup has an overall satisfaction rating of 73%, being on a par with the industry average of 74% (LGA syndicate). The customer satisfaction, services has remained fairly constant, however, overall satisfaction with Council has fallen 6% from 2003 (79% overall satisfaction - interviews conducted in April 2003).

2. The City of Joondalup has set the benchmark (LGA syndicate) with the highest satisfaction ratings for four areas:

- Planning & Building Approvals
- Leisure & Recreational Centres
- Youth Services & Activities
- Library & Information Services.

3. Joondalup is also performing above the industry average (LGA syndicate) in the following areas:

- Conservation and environmental management (close to the benchmark)
- Creating and maintaining parks, gardens and open spaces (close to the benchmark)
- Graffiti, vandalism and antisocial behaviour control
- Maintaining roads
- Providing and maintaining footpaths and cycleways
- Controlling animals and pests
- Providing cultural and community events.

This annual customer service monitor is an excellent tool in establishing residents' perceptions and satisfaction with the City, which coupled with benchmarking data (LGA syndicate), continues to be a useful tool in highlighting successful services and 'hot issues' for future planning.

It also provides useful information for certain sectors of the organisation to undertake further investigation where services need attention.

Communications Study

A Communications Study was undertaken in October 2003 to determine the effectiveness of the City's communication products in reaching and being used by residents. The overall awareness and use of products is reasonably high, as are general satisfaction levels with the amount and type of information available and the way it is received.

Mystery Shopper Surveys

The Mystery Shopper (external) surveys are conducted on an ongoing basis with each business unit surveyed monthly. The measurements relate to how well we provide our service, as opposed to which services we provide. Survey measurements are linked to the standards set within the City's Customer Service Charter.

Mystery Shopping measures level of service provided in three categories: telephone, in person and in writing. Mystery shopping survey results have remained consistently high with an organisational average of 93%.



LGA Syndicate consists of 11 Local Government Councils in Western Australia, whose survey results can be compared and benchmarked.

CUSTOMER SATISFACTION RESULTS

Service	2004	2003	2002	2001	Department
Overall satisfaction with Council	73%	79%	92%	90%	All departments
Libraries & information services**	97%	97%	97%	94%	Library & Information Services
Transport for the aged	96%	88%	78%	N/a	Community Services
Weekly rubbish collection	96%	96%	96%	93%	Infrastructure Management
Fire prevention	94%	90%	87%	87%	Ranger Services
Australian citizenship	93%	91%	89%	N/a	Marketing Services
Community halls	93%	93%	92%	91%	Recreation Services
Immunisation clinics	92%	98%	96%	95%	Health & Environmental Services
Food & pollution control	91%	88%	85%	N/a	Health & Environmental Services
Community education activities	90%	93%	95%	88%	Library & Information Services
Maintaining roads*	89%	91%	89%	86%	Infrastructure Management
Abandoned & off-road vehicles	89%	76%	61%	N/a	Ranger Services
Conservation & environmental management*	88%	87%	79%	N/a	Sustainability
Verge-side bulk rubbish collection	87%	86%	N/a	N/a	Operations Services
Leisure & recreation centres**	87%	88%	95%	91%	Leisure Services
Cultural & community events*	86%	90%	90%	91%	Cultural Development
Outdoor recreation facilities	86%	90%	94%	89%	Recreation Services
Pest Control*	86%	79%	81%	N/a	Health & Environmental Services
Family liaison services	85%	76%	N/a	N/a	Community Services
Parks, gardens & open spaces*	83%	85%	82%	85%	Operations Services
Footpaths & cycleways*	83%	83%	86%	89%	Infrastructure Management
Animal control*	83%	82%	77%	77%	Ranger Services
Graffiti, vandalism & antisocial behaviour*	82%	84%	86%	79%	City Watch Services
Youth services & activities**	79%	72%	78%	72%	Community Services
Mobile security patrols	79%	75%	74%	57%	City Watch Services
Parking control	78%	71%	58%	69%	Ranger Services
Accessibility of information about Council services & facilities	77%	72%	N/a	N/a	Marketing Services
Recycling	77%	76%	80%	76%	Operations Services
Planning & building approvals**	75%	78%	74%	80%	Planning & Building Approvals
Financial counselling	75%	75%	91%	N/a	Community Services

Services are listing in order of highest satisfaction to lowest satisfaction levels.

* The City is performing above the industry average (LGA syndicate)

** The City is setting the benchmark (LGA syndicate)

COMMUNICATIONS SATISFACTION RESULTS

Service	2004	2003	2002	2001	Department
Amount of information received from the City	69%	N/a	N/a	N/a	Marketing Services
Type of information received from the City	71%	N/a	N/a	N/a	Marketing Services
Way they received information	67%	N/a	N/a	N/a	Marketing Services

Community Wellbeing

Objectives to promote community wellbeing:

- To develop, provide and promote a diverse range of lifelong learning opportunities
- To meet the cultural needs and values of the community
- To continue to provide services that meet the changing needs of a diverse and growing community
- To work with the community to enhance safety and security in a healthy environment

Performance

Activity	2003/04	2002/03	2001/02	2000/01	Department
Immunisations (no. of people)	11,395	8414	4084	2968	Health & Environmental Services
Immunisation (satisfaction levels)	92%	98%	96%	91%	Health & Environmental Services
Food shop inspections	1700	1227	960	1385	Health & Environmental Services
Food complaints	200	127	115	178	Health & Environmental Services
Reported incidence of noise	406	328	355	452	Health & Environmental Services
Youth Services (satisfaction levels)	79%	72%	78%	72%	Community Services
Leisure Services (satisfaction levels)	87%	88%	95%	91%	Leisure Services
Security Services					City Watch Services
- Security Patrols (satisfaction levels)	79%	74%	74%	57%	City Watch Services
- Kms travelled	824,859	839,807	441,227	823,284*	City Watch Services
- Average kms per day	2160	2300	2143	1675*	City Watch Services
- Total Hours	54,108	53,694	53,820	67,878*	City Watch Services
- Average response time for security referral	6.7 minutes	6.75 minutes	5.7 minutes	9 minutes	City Watch Services
Ranger Services					Ranger Services
- Kms travelled	214,684	219,299	146,946	823,284*	Ranger Services
- Average kms travelled	588	604	404	1282	Ranger Services
- Requests for assistance (3,537 related to animal control)	6,910	N/a	N/a	N/a	Ranger Services
- Animal control (satisfaction levels)	83%	82%	77%	77%	Ranger Services
Library Services					Library & Information Services
- Customer Satisfaction Levels	97%	97%	97%	94%	Library & Information Services
- Memberships	87,670	84,589	85,084	115,406	Library & Information Services
- Loans	N/a	1,460,406	1,471,696	1,553,499	Library & Information Services
- General enquiries	72,852	66,854	53,049	47,972	Library & Information Services
- Total transactions**	2,743,740	2,685,950	2,669,172	N/a	Library & Information Services
Australian citizenship	93%	91%	89%	N/a	Marketing Services
Transport for the aged	96%	88%	78%	N/a	Community Services
Community education activities	90%	93%	95%	88%	Library & Information Services
Pest control	86%	79%	81%	N/a	Health & Environmental Services
Cultural & community events	86%	90%	90%	91%	Cultural Development
Family liaison services	85%	76%	N/a	N/a	Community Services
Financial counselling	75%	75%	91%	N/a	Community Services
Food & pollution control	91%	88%	85%	N/a	Health & Environmental Services

*Ranger & City Watch figures are combined.

**Library Services – total transactions equals Loans + Reservations + holding items + other services.

Library & Information Services

The City operates four libraries at Joondalup, Duncraig, Whitford and Woodvale. In 2003/2004 a restructure was built on the concept that libraries are community hubs where residents go for a variety of services.



Lifelong learning

Our library services play an important role in fostering lifelong learning in the community. In 2003 a new Learning Programs team was created to develop the educational aspect of library services.

Two library programs are: Community Connections and School Connections.

Community Connections is a community education initiative to inform and encourage people of their rights and responsibilities and what it means to care for property, the environment and other people within the City.

School Connections involves liaising with schools, and offering programs, resources and special events designed to engage school students across the City.

Programs & Events

Throughout the year, a range of programs and events were staged. These included: School Holiday Fun @ Your Library, storytime sessions, Seniors Circle, specialist speaker presentations, languages other than English events, internet training seminars and the City's invaluable Books on Wheels Service.

Community Information

The online Community Information Database and Community Information phone service (9400 4705) offer residents easy access to community information. Council information displays are at all Library branches to keep residents informed.

Joondalup Volunteer Centre

The City worked in partnership with Volunteering WA, to establish the Joondalup Volunteer Centre, located in the Joondalup Public Library. The centre opened in December 2003 and has assisted many volunteers find places with community-based, not-for-profit and government agencies.

Reference & Local Studies

The Library was further enhanced with the addition of new databases to the in-house reference terminals and the development of several special collections, including a collection dedicated to Legal Resources.

The Local Studies Library had cause for dual celebrations in November 2003 as the Oral History Program reached its tenth anniversary and a further six suburbs were added to the *Stories from the Suburbs* project.

During 2003/2004:

- The number of music CDs and DVDs were increased to meet rising demand
- The Service Level Agreement with the City of Wanneroo continued and resulted in over 12,000 transactions for the Wanneroo Library network
- The *Ask a Librarian* scheme, operated by the Reference Library, received over 70,000 queries on a range of issues.

Cultural Development

This year the City delivered a number of projects to develop a cultural identity and build a sense of shared community in the City:

2003 Invitation Art Award

Held in September 2003, at Lakeside Joondalup Shopping City, the Invitation Art Awards featured 38 of Western Australia's leading artists. The winning artwork, 'Night Continuous' by Gosia Wlodarczak Sarnecka, has taken its place in the City's Art Collection.

2004 Community Art Exhibition

The Community Art Exhibition displayed 150 artworks by 101 talented local residents at Lakeside Joondalup Shopping City in May 2004. Many of the works were sold during the two-week exhibition.

blend(er) - Joondalup Community Art Gallery

The City has worked in partnership with local artists to form the Joondalup Community Arts Association and establish a gallery in Central Walk. The Blend(er) Gallery was officially opened in April 2004 and has held numerous workshops and exhibitions by local and national artists.



2003 Joondalup Eisteddfod

From August to September 2003 the City hosted the annual classical music Eisteddfod. The competition has been recognised for providing valuable performance experience to up-and-coming young talent in the region. The Eisteddfod attracted over 800 entries involving nearly 2,400 participants.

Art Collection

Eight new artworks were purchased for the collection and are displayed in the Joondalup Civic Centre and Joondalup Library. School and public tours have taken place throughout the year.

Community Assistance

Community Development

Community Development consults widely with individuals, community groups and Government organisations to develop best practice community programs within the City.

In the past year Community Development supported:

- establishment of a Community Legal Centre for Joondalup and the Northern region;
- various Community Development networks such as the Joondalup and Districts Domestic Violence Group; and
- a review of Child Health Centres.

Financial Counselling

The City continues to provide counselling, advocacy, support and community education regarding consumer affairs. In 2003/04 the service diversified to include a program for the development of a Youth Notebook providing practical financial advice to young people.

Community Funding Program

Since 1999 the City has allocated a total of \$489,164 to 243 not-for-profit community groups. In 2003/04, 83 applications were received and \$93,976 was distributed to 43 organisations:

Community Fund	No of Groups	Total received
Community Services Fund	16	\$34,090
Culture & Arts Development	11	\$21,948
Sport & Recreation Development	9	\$14,252
Sustainable Development	7	\$23,686

Youth services

This year a number of services were delivered targeting youth participation in the community.

Youth Advisory Council

The Youth Advisory Council provides a youth perspective on issues of importance to young people in the City. Its members have been involved in a number of projects, including the publication and distribution of "The Scene" youth newspaper.

Extreme Youth Festival

The Extreme Youth Festival held on 30 November 2003 provided free entertainment for young people in the City. Festival events included live music, skateboard and BMX competitions, a hip-hop tent and freestyle motocross demonstrations. The Festival evaluation indicated that the event was well received.

Mural Arts Program

This program continued to combat illegal graffiti in the region with numerous new sites in underpasses and open spaces. The year saw an increase in attendance at the monthly Writers Nights and major murals painted at Hawker Park, Nanika Park and the Festival Mural.

Youth Liaison Program

In cooperation with Whitford City Shopping Centre, Security, City Watch and the Police services, this program aims to reduce antisocial behaviour at Whitford City Shopping Centre on Thursday nights.

Youth and Family Education Services

The services provided support and referral advice to young people and their families.

Anchors Youth Service

This service upgraded its facilities in 2003. It provides drop-in services, a young women's program and an integrated school holiday program for youth in Heathridge.

Warwick Youth Centre

Operating out of Dorchester Hall, the centre was opened in 2003 to provide youth services to residents in the southern suburbs of the City of Joondalup.

Youth Outreach Program

This program offers information, advocacy, support and referral to young people present in areas of "public space" within the City.

Youth Financial Counselling Service

This year a new service was introduced providing a Youth Notebook, financial counselling, advocacy, support and a number of educational workshops.

Seniors Interests

The Seniors Interests Advisory Committee provides advice to Council on issues relating to older people across the community. The Committee meets monthly and oversees:

- The Directory for Seniors and People with a Disability;
- The 'Prevention of Elder Abuse Network' and manages its website;
- Live Life Festival – A Regional Seniors Event;
- The Seniors Plan 2004-2008; and
- Community transport to enable seniors to meet their weekly shopping needs and attend leisure and social activities.



Recreation and Leisure Services

Recreation Services manages parks and community facilities and provides support for recreation groups in the community.

Parks and facilities:	Number	User groups
Active Parks (sporting grounds, ovals)	58	41 summer clubs 48 winter clubs
Passive Parks (public spaces)	287	Visitors and residents
Community facilities (clubrooms, halls and community centres)	26	173 community groups

Some of the programs and services offered in 2003/4 include:

- Club Development Seminars - three seminars held on issues facing community organisations;
- Sport Development Program - provided \$60,000 to local district level sporting clubs;
- Community Sport and Recreation Facility Fund (CSRFF) - provided financial assistance for sport and recreation infrastructure works, including \$11,907 for a floodlighting project at Sorrento Bowling Club;
- Junior & Disabled Sporting Donations - the City provided \$11,500 to junior and disabled athletes to assist with the travel expenses incurred when competing outside the Perth metropolitan area;
- Be Active Together Walking Program - the City works with local groups and businesses to promote daily walks within the region.



Leisure Centres

The Joondalup Leisure Centres are Sorrento Duncraig, Ocean Ridge and Craigie Leisure Centre. The centres operate health and fitness services, lifestyle programs and sporting competitions. Some highlights of this year include:

- WA's biggest indoor social netball competition with over 1,300 participants each week;
- competitions including the Challenge Cup and Football Fever;
- indoor soccer has increased numbers for Junior and Senior competitions;
- new West Coast Eagles, Kasey Green football camps; and
- the launch of the GOLD (Growing Old and Living Dangerously) adventure program for seniors.

The redevelopment of Craigie Leisure Centre has affected membership numbers at the club. The first stage of the redevelopment is due to be completed in April/May 2005.

Ranger Services

Ranger Services has continued to focus on community liaison and education to build awareness of the local laws and legislation administered by the Rangers.

This year Ranger Services delivered a number of community-based initiatives including educational programs such as Junior Rangers, Delta Dog Safe and Healthy Hounds initiatives.

Regular coastal foreshore patrols continued to be of importance with increased patrols undertaken, aimed at reducing dog and vehicle offences against the City's Local Laws and Dog Act.

Safer Communities

The City is committed to making Joondalup a safer place to live. Its Safer Community Program consists of

- City Watch security patrols,
- graffiti control,
- partnerships, and
- urban design.

These elements complement each other and provide a holistic approach to providing a safer community within the City.

City Watch is the “eyes and ears” of the community and continues to respond quickly to resident calls for assistance, and provides a prompt response to issues of graffiti and vandalism.

Residents can contact City Watch to request assistance in removing graffiti from public spaces and residential properties.

The City continues to work in partnership with the community, Police, local schools, and a variety of other agencies to make the City safer and more secure. The City also liaises with the community and stakeholder groups such as neighbourhood watch on community safety and security matters. Schools are also involved through programs such as Constable Care and Safety House.

Lifeguard Service

The City engaged Surf Life Saving Western Australia (SLSWA) for lifeguard services at Sorrento, Mullaloo and Hillarys Marina Beaches during the 2003/04 season. SLSWA delivered a total of 2,230 lifeguard patrols to the City of Joondalup beaches during the summer season. Two rescues were made during the season.



Environmental Health

Health and Environment Services identifies threats posed by environmental hazards and develops appropriate safeguards. Services supplied to target community health and wellbeing included:

- immunisation programs;
- food premises monitoring; and
- environmental monitoring (particularly of the City's lakes).

Highlights of the year included:

- the centralisation of Immunisation Clinics and the development of a booking system to reduce waiting times;
- completion of the high school-aged Meningococcal program (8,000 eligible students), and commencement of the primary school-age Meningococcal program (15,000 eligible students);
- implementation of the Pilot Wood Heater Replacement Program;
- an environmental management survey of small to medium-sized industry in the City;
- formation of the Lake Goollelal management group;
- introduction of regular bacterial sampling surveys of the City's food businesses;
- 709 food and water samples taken from food premises and public pools;
- 1,973 risk assessments of food premises, hairdressers, public buildings, skin penetration providers and beauty therapists.

Caring for the Environment

Objectives:

- To plan and manage our natural resources to ensure environmental sustainability
- To manage waste effectively and efficiently in alignment with environmentally sustainable principles

Performance

Activity	2003/04	2002/03	2001/02	2000/01	Department
Conservation & environmental management	88%	87%	79%	N/a	Sustainability
Abandoned & off-road vehicles	89%	76%	61%	N/a	Ranger Services
Community halls	93%	93%	92%	91%	Recreation Services
Fire prevention	94%	90%	87%	87%	Ranger Services
Level of waste minimisation and diversion of waste from landfill	16%	19%	16%	17%	Infrastructure Management
Recycling (satisfaction levels)	77%	76%	80%	76%	Infrastructure Management
Bulk rubbish collection (satisfaction levels)	87%	86%	N/a	N/a	Infrastructure Management
Weekly rubbish collection (satisfaction levels)	96%	96%	96%	93%	Infrastructure Management
Park creation & maintenance (satisfaction levels)	83%	85%	82%	85%	Operations Services
Park user satisfaction (0-10). Achieved consistently above Perth regional average	8.0 (7.8)	8.3 (7.9)	7.92 (7.84)	8.0 (7.7)	Operations Services

Awards Received

Winner - Coastal and Marine WA Environment Award - Department of Environment

For the City's work protecting the 16km of pristine coastline. This award recognises the City's strategies to balance the pressures of urban expansion whilst protecting the natural environment.

Finalist - Category 2 – Corporate Business

- “Leading by Example”

- National award

In recognition of the City's approach towards sustainability. The City of Joondalup is the only Local Government to reach the finals in this category, which is a great achievement in itself.

Park user satisfaction - City of Joondalup, ranked 2nd in Australia.

This year the City was recognised for important work undertaken to care for the environment.

Sustainable Development

The City's approach towards developing a sustainable future is one based on increasing the environmental, social and economic sustainability of our community. This is being fostered by Council leadership, education and community participation.

International Sustainability Conference

The City of Joondalup presented a conference paper at the International Sustainability Conference, 17-19 September 2003, addressing the City of Joondalup's approach to regional governance for sustainability.

Environment Forum

The City hosted an Environmental Forum in April 2004 to showcase excellent environmental work achieved, attended by the Federal Minister for Environment and Heritage, Hon. Dr David Kemp. The Forum identified and promoted the ways Council and its community have committed to "a sustainable City and community that are recognised as innovative, unique and diverse".

Cities for Climate Protection Program

The City is a member of the Cities for Climate Protection (CCP) program that is structured around five milestones and is designed to assist local governments and their communities to reduce greenhouse gas emissions.

The City has completed Milestones 1 and 2 and has recently been awarded for its successful achievement of Milestone 3. Milestone 3 involves the preparation of an action plan to reduce greenhouse gas emissions across the community and corporate sectors. The City has already started implementing many actions identified in the action plan and is extremely close to achieving its greenhouse gas emissions reduction target (Milestone 4).

One of the highlights of actions being implemented is the Cool Schools program. The program provides free energy assessments to primary schools, together with a range of interactive fun activities to help schoolchildren to be more energy efficient.

Sustainability Advisory Committee

The Sustainability Advisory Committee consists of Commissioners, City staff and community representatives. Following the appointment of seven new committee members in December 2003, a major planning exercise was undertaken in early 2004 to develop a strategic direction for the committee.

Biodiversity Strategy

The City is committed to protecting its natural biodiversity.

The Biodiversity Strategy is being developed using the Local Government Biodiversity Planning Guidelines produced by the WA Local Government Association's Perth Biodiversity Project.

The City has completed its desktop and field assessments of all reserves in the City. These assessments provide valuable information on the current condition and ecological values of these areas, which helps to prioritise them for management.

Sustainable Development Fund

The Sustainable Development Fund is part of the City's Community Funding Program and is believed to be the first such WA Local Government funding program. \$40,000 is available to directly support community-based sustainability initiatives each year and in the last round for 2003/04, the fund provided just under \$11,000 for community projects.

Yellagonga Management Plan

Since the release of the Yellagonga Regional Park Management Plan 2003-2013 in June 2003, the City has been working closely with the Department of Conservation and Land Management (CALM) for implementation. A working group with members from the City of Joondalup, CALM and the City of Wanneroo has been established to ensure a coordinated approach to the protection of the Regional Park and associated wetlands.

The Yellagonga Catchment Coordinator has also been actively working to increase understanding and appreciation of the Yellagonga Wetlands, and encouraging community participation in catchment planning and wetland management.

Caring for the Environment

Operations Services

The appointment of a designated Operations Services Supervisor for Natural Areas Management has enabled the unit to further control and improve the areas of remnant vegetation managed by the City.

Retention and preservation of the foreshore dunal systems continues in accordance with the Joondalup Coastal Foreshore Natural Areas Management Plan. Extra funding has enabled the City, in conjunction with community volunteers, to enhance the natural vegetation within the foreshore reserve.

The City received a score of 8.5/10 for Health of Natural Vegetation in a Customer Satisfaction survey conducted in March 2004.

Waste Management

The City continues to deliver a safe and cost-effective Waste Management service to our community.

Council contractors collected approximately 53,200 tonnes of domestic rubbish and 11,700 tonnes of bulk rubbish, totalling approximately 64,900 tonnes disposed of as landfill.

The City of Wanneroo's Environmental Waste Services provided the domestic and the bulk collection service. The City extended the bulk collection contract with the City of Wanneroo for a further six years.

Recycling

Cleansweep continued to provide the fortnightly recycling waste collection service. The recycling sorting plant at Wangara continued to be a successful joint venture between the Cities of Joondalup, Swan and Wanneroo.

The City's kerbside recycling service collected approximately 4,650 tonnes of recyclable material. This produced a recovery rate of approximately 75% and again shows those residents who choose to recycle, continue to do so in an effective manner.

The City received \$94,423 from the Resource Recovery Rebate Scheme for their recycling efforts.

Resource Recovery Project

The City's focus on reducing waste disposed of as landfill has continued with significant progress of the Mandarie Regional Council's Resource Recovery project.

The Environmental Protection Authority has approved the project and there has been successful community engagement for the proposal. The revised start date for the project is scheduled for July 2006.



Major Parks, Beaches & Leisure

Conveniently located on the Sunset Coast, the Joondalup region boasts 17km of pristine coastline and an abundance of parks, bushland and recreational facilities. From perfect picnic spots to beautiful beaches, peaceful nature trails to refreshing coastal walks, winding cycle paths to a variety of fitness and leisure facilities - Joondalup has something for everyone.



Objectives:

- To develop and maintain the City of Joondalup's assets and built environment
- To develop and promote the City of Joondalup as a tourist attraction
- To continue to meet changing demographic needs
- To provide and maintain sustainable economic development

Performance

Activity	2003/04	2002/03	2001/02	2000/01	Department
Maintenance & creation of roadways (Satisfaction levels)	89%	91%	89%	85%	Infrastructure Management
Planning & building approvals (satisfaction levels)	75%	78%	74%	80%	Approvals & Planning Services
Community centres & public hall facilities	93%	92%	92%	91%	Operations Services
Outdoor recreation facilities	86%	90%	94%	89%	Recreation Services
New small businesses statistics in the area*	88	143	121	148	Economic Development
New clients*	426	286	329	427	Economic Development
New full-time jobs*	176	245	62	82	Economic Development
New part-time jobs*	53	138	70	40	Economic Development
- Graffiti control (satisfaction levels)	82%	84%	86%	79%	City Watch Services
- Total graffiti reports	1127	1375	1186	949	City Watch Services
- No. of graffiti tags	2899	3768	3715	8,882	City Watch Services
Footpaths & cycleways (Satisfaction levels)	83%	83%	86%	89%	Infrastructure Management

* Source: Joondalup Business Association
(Small Business defined as <100 employees)

Five-Year Capital Works Program

Infrastructure Management Services is responsible for managing the Five-Year Capital Works Program. As part of this program, the City has undertaken various road and traffic management projects to improve the safety and functionality of the road network. Major projects have included:

- Construction of the Shenton Avenue dual carriageway and traffic signal installation at Pontiac Way;
- Redevelopment of Grand Boulevard from Boas Avenue to Shenton Avenue to a single lane boulevard with improved parking and access to businesses;
- Resurfacing of local and distributor roads as part of the Road Preservation Program.

Traffic Management

The City has undertaken projects to improve safety in areas of high risk, including the installation of treatments at notable black spot junctions. The City has also undertaken projects to improve parking and safety on roads at Poynter Primary School and Beaumaris Primary School.

General streetscape and traffic improvements have also been undertaken around the City.

Drainage Works

Drainage improvements were undertaken to Hillwood Avenue, Sebago Court, Myaree Way and the upgrading of the Bindaree Terrace stormwater drainage outfall to Lake Goollelal.

Parks Improvement Works

The City has installed reticulation at Annato, Hilltop and Kallaroo Parks, the development of Lake Valley Park, and landscaping was undertaken to Collier Pass.

Building Facilities

The Connolly Community Centre was completed and officially opened on 10 September 2003. The project management costs associated with survey, design administration and construction were competitive when benchmarked with other local governments and private industry.



Operations Services

Operations Services undertakes all assets maintenance associated with parks and landscaping, engineering construction, maintenance and building maintenance and cleaning.

The City's commitment to enhance standards of infrastructure is acknowledged within the City Centre and the use of Specified Area Rating in selected locations.

Operations Services continue to work in association with Infrastructure Management Services in provision of inground irrigation to four areas of public open space identified as priority parks for development with the Dry Park Development Program.

In a survey on the maintenance of parks across Australia, the City of Joondalup was ranked second.

Provision of quality recreational facilities such as parks, cycleways, play equipment, and foreshores all enhance community wellbeing.

Project Development – Corporate Projects

A review of corporate projects was completed to reflect funding allocations adopted in the 2003/2004 budget.

Audit & Executive Services is responsible for high-level management of the City's Corporate Projects, which are:

- Cultural facility (formerly Joondalup Regional Performing Arts Centre)
- Currambine Community Centre
- Craigie Leisure Centre
- Works depot
- Mullaloo Beach development
- Sorrento Beach development
- Ocean Reef development
- Employer of choice
- Secondary waste treatment facility
- Learning City.



CBD Enhancement Project Steering Committee

The CBD Enhancement Project Steering Committee provides advice to Council on issues that affect the viability of the Joondalup CBD. The City is looking to assist in developing a sustainable business environment in the Joondalup CBD that includes a coordinated approach to marketing and promotion.

Public Art Projects – Kingsley Clubrooms Bali Memorial

The City coordinated a public artwork memorial to commemorate the Bali tragedy. Australian Capital Equity donated \$33,000 towards installing a public artwork at the Kingsley Football Club to commemorate the Bali bombing victims. Artist Jon Tarry was awarded the commission that is due to be completed in October 2004.

Perth Criterium Series

Over 4,000 people lined Grand Boulevard to witness the opening race of the annual Perth Criterium Series. The Joondalup street circuit provided the perfect location for the Australian Open Men's Criterium Championship, which was won by Perth rider, Nic Brown. Following the race renowned jazz musician James Morrison performed a free concert on the Joondalup Courthouse lawn to over 5,000 people.

Annual Perth Bikers Charity Ride

The 28th running of the annual Perth Bikers Charity Ride was conducted on Saturday 6 December 2003. Over 7,000 motorbikes made the journey from Belmont to Arena Joondalup. This popular community event raises money for the Salvation Army's Christmas Appeal and an estimated 10,000 people were in attendance. The event also included a variety of free entertainment and activities for families to enjoy.

Arts Development Scheme

This scheme sets up partnerships with professional performing arts companies to assist with audience development in the region. In 2003/04 the scheme initiated projects with three professional performing arts companies, Buzz Dance Theatre, Barking Gecko Theatre Company and Perth Theatre Company, which received a total of \$14,930.

The City formed a partnership with Black Swan Theatre to develop LeJYT: Joondalup Youth Theatre and has programmed a series of workshops to take place in 2004.

Sponsorship and Funding

The Cultural Development Program was successful in obtaining \$78,940 in grant funding and a further \$186,000 in sponsorship (cash and in-kind).

Cultural Development

The City's Cultural Development Program continues to reach new heights, particularly in regard to engaging young people. This is supported by market research at the Joondalup Festival indicating that 99% of attendees aged between 16 to 24 years agreed that the City of Joondalup plays an active role in bringing life to the Joondalup City Centre.

Summer Event Program

Our Summer Event Program ran from December 2003 to March 2004 and provided free concerts in Joondalup City Centre and parks throughout Joondalup. The 2003-2004 program was enjoyed by 34,000 people and featured internationally acclaimed performers such as Rolf Harris, James Morrison (as part of the Criterium Cycling Championships) and popular Melbourne band Cat Empire. Other events included the Perth Oratorio Choir's performance of Handel's *Messiah*, Little Feet Festival and the Night Markets Concert Series.

Joondalup Night Markets

2003/04 was the second time that the City has operated the Joondalup Night Markets after taking over from private operators in November 2002. The season was an outstanding success with almost double the number of nights from the previous year (15 weeks compared to 8 weeks), a large increase in the number of stallholders and patrons, and a marked increase in the quality of the live entertainment.

The 2003/04 Joondalup Night Markets form an integral part of the CBD Enhancement Project.



Joondalup Festival 'Global Village'

The Summer Event Program culminates in the Joondalup Festival held in March each year. Unseasonably hot weather (41°C & 42°C) this year affected attendance numbers, with the event attracting an estimated 41,000 people into the city centre with 94% of attendees being satisfied with the event.

The Joondalup Festival increased community participation this year through an open invitation for Cultural and Community groups to embrace this year's festival theme. An estimated 6,220 people were involved in the event over a three-month period.

Highlights included Melbourne's physical theatre company Erth, popular youth bands such as Little Birdy and Xavier Rudd, seasoned performers such as Bomba, Neil Murray, Jon English, and a giant puppetry finale performed by 50 high school students. A secondary stage was also set up in Central Park to host "Feastival", a food and wine festival.

Tourism Strategy

This year the City has been developing a Tourism Strategy to help develop the future direction for tourism in the City of Joondalup and its associated region. The Strategy identifies the current status of tourism including gaps and opportunities for the development of tourism within the City including attractions, accommodation and infrastructure. A number of workshops were held with tourism industry partners and the community to identify needs and impacts in relation to developing tourism within the City.

Approvals, Planning and Environmental Services

The Approvals, Planning and Environmental Services team is responsible for:

- administration of Building Codes and related regulations;
- assessing building licences;
- providing building-related advice and mediation;
- administering appeals and advising people of their rights and obligations;
- advice and assessment on the administration of the City's Planning Scheme, Structure Plans, and related policy;
- supporting the elected body in assessing the planning merit of proposals.

Planning and Building Application Assessment

Staff provided services related to the monitoring and assessment of nearly \$400 million in development this year for over 5,000 customers, in consultation with neighbours and interested parties.

In the past year, the City has advanced its project to facilitate the online lodgement of building applications, and has also restructured its pool inspection program.

Urban Design and Policy

Urban Design and Policy is responsible for the City's District Planning Scheme and Town Planning policies.

The group guides the future design of Joondalup by influencing the development of subdivisions and new suburbs. Urban Design offers advice to residents and develops solutions to urban design and planning problems. The group also offers advocacy and advice to the Western Australian Planning Commission for the assessment of subdivision applications.

Urban Design also provides support and maintenance for the City's digital mapping base.

During the year, the group has:

- Continued its rolling review program for planning policy matters
- Contributed to the development of new structure plans for Burns Beach and Iluka to positively contribute to the quality of our new communities.

The team is commencing the review of the Joondalup City Centre Master Plan and continuing with the rolling review of the City's Town Planning policies.

In the past year the group provided project support and leadership for the Mullaloo Beach Park improvement project.



Asset Management

This year an upgrade was commissioned to the City's Oracle purchasing system to better track asset maintenance.

Fleet Management

- replaced light and heavy fleet vehicles to an approximate value of \$1,110,000
- Replaced mobile plant items with an approximate value of \$370,000
- Commissioned new fleet maintenance system - Oracle eAM with improved fleet categories.

Property Management

The City manages around 100 properties in 22 suburbs and in the past year received approximately \$215,000 in rental revenue.

Major projects have included

- Substantial upgrades to Duncraig Child Care Centre after major fire damage.

Appointment of a licensee think this is "licence" for a 12 month trial for the Joondalup Reception Centre, located within the Civic Chambers on Boas Avenue, Joondalup. This will ensure that the venue is utilised for the purpose it was built.

Contracts

A contract management manual was developed in 2003 to ensure City contracts were managed appropriately.

During 2003/04:

Tenders Advertised:	46
Contract Extensions:	40
Quotations sought:	23

Purchasing

Business processes changed significantly with the introduction of self-service purchasing software, enabling City staff to be proactive in purchasing for their business units.

Strategic Development - Support for Small Business

The City's 'Support for Small Business Program' seeks to develop economic vitality in the City and to promote the concept of Joondalup as a 'Learning City' through the development of key projects including:

Business Incubator Project

The City is a foundation member of the Joondalup Business Incubator in partnership with Edith Cowan University and the Joondalup Business Association. The City is keen to ensure the success of the incubator and commissioned a study to research and develop benchmarks to facilitate business development and growth.

2004 Business Opportunities Expo

The City co-hosted a stand with the City of Wanneroo at the 2004 Business Opportunities Expo at Burswood Convention Centre. This provided a valuable opportunity to highlight and promote the City and encourage more business start-ups within the Joondalup City Centre.

Home-Based Business Peer Mentoring Program

Home-based businesses are a significant economic sector making up 64% of all small businesses in Australia. Research undertaken by the Small and Medium Enterprise Research Centre (SMERC) at Edith Cowan University identified that isolation and lack of business networks were significant barriers for home-based businesses. The City funded the 'Home Based Business Peer Mentoring Program', a series of mentoring and training sessions for home-based businesses within the City.

North Metro Business Enterprise Centre (BEC)

The services provided by the North Metro Business Enterprise Centre aim to create employment opportunities by helping establish new businesses in the North West Metropolitan Region, while developing and broadening the economic base in the area. The City has re-entered into a Service Agreement with the North Metro BEC and provided approximately \$60,000 as part of the three-year funding agreement.

Regional Activities & Events

The marketing department assists the organisation with graphic design services, and the promotion and advertising of all City of Joondalup regional events. The City works closely with many of its stakeholders, ensuring the success of regional events that add value to the Joondalup community, both economically and socially, and ensure Joondalup marks its place on the map as a premier cultural event destination.

Major events supported by the City of Joondalup during the past year include:

- Rugby World Cup 2003 – the City hosted the Samoan team and supported a number of community events
- Rock It Concert held in October 2003 and March 2004 at Arena Joondalup and attended by over 25,000 young concert-goers from across the Perth Metropolitan region
- Rolf Harris Concert on the Australia Day long weekend held at Edith Cowan University, attended by over 5,000 people
- Joondalup Festival 2004 "Global Village" the City's landmark annual cultural event held in March 2004.
- Little Feet Festival was held in January 2004 at Whitfords Nodes and was well attended by families and children
- Various Open Days at ECU – ECU Live!, Staff Orientation, Student Orientations, International Student Welcome held on the ECU Joondalup Campus
- Bikers Charity Ride & Community Fair was held in December 2003 with over 7,000 motorbikes arriving at Arena Joondalup followed by 10,000 people taking part in the Community Fair
- Perth Criterium Bike Race was held on 2 January 2004 in the Joondalup City Centre. Over 4,000 people attended, along with over 5,000 people who flocked to the Law Courts lawn area to enjoy the free jazz concert by musician James Morrison.



Organisational Development

Objectives

- To manage the business in a responsible and accountable manner
- To provide quality services with the best use of resources
- To ensure the City responds to and communicates with the community
- To develop community pride and identity
- To manage our workforce as a strategic business resource

Performance

Activity	2003/04	2002/03	2001/02	2000/01	Department
External customer service (mystery shopper average across the organisation)	93%	91%	88%	83%	Customer Service
Internal customer service (internal customer satisfaction staff survey)	72%	72%	67%	74%	Customer Service
Community participation in decision making (satisfaction levels)	78%	70%	70%	78%	Council Supprt Strategic & Sustainable Development
Accessibility of information about Council services & facilities (satisfaction levels)	77%	72%	N/a	N/a	Marketing Services

Awards Received

Winner - “Best Practice Whole of Organisation” - Western Australian Municipal Association
Commendation - National Local Government Awards - For the “Employer of Choice” project

Organisational Planning and Policy

The major role of the Organisational Planning and Policy team is to develop the City's capabilities to achieve the vision set out in the Strategic Plan 2003-2008.

The team is responsible for developing and reviewing the City's Integrated Planning Framework comprising the Strategic Plan, Corporate Plan and Business Plans. A review of the Integrated Planning Framework in 2003/04 resulted in a more streamlined process integrating planning and budgeting processes, and the development of a new business planning template linking business unit activities to the Strategic Plan.

The online Project Planning System (PPS) was reviewed and improvements made, including the development of a prioritisation matrix assessing all new proposals against social, economic and environmental impacts.

The team also developed a range of fact sheets and community profiles to meet demand for comprehensive data about the City of Joondalup.

Customer Service

The City of Joondalup has been monitoring the level of customer service provided to external customers since 1999 using Mystery Shopper Surveys and uses this feedback to improve service delivery.

In 2003/04 the results have remained consistently high with an organisational average of 93%.

Customer Service Centres

The City of Joondalup provides two customer service centres for its residents. One is located at the City's administration building and the other is located within Whitford City Shopping Centre. Friendly customer service staff are available to assist with information on all of the City's services, payments of rates, dog licences and any other council payments.

The City received a commendation at the National Local Government Awards for the "Employer of Choice" project.

Financial Services

A high emphasis was placed on improving the efficiency and effectiveness of internal financial processes, ongoing development of providing customer-focussed processes and improving the skills and knowledge of staff.

An overarching continuous improvement framework was

developed and a large number of business processes were implemented, documented, reviewed and improved.

Key Outcomes for 2003-04:

- Implemented new customer-focussed processes; Provide credit card payment option for ratepayers;
- Upgraded the financial system;
- Met the new FESA legislative requirements;
- Extended customer payment by EFT to the City's Libraries;
- Facilitated collection of the Emergency Service Levy;
- Provided payment option to general creditors by
- Completed reviews of eligibility of pensioner rebate/ deferral, and rate exemptions;
- Electronic Fund Transfer (EFT).

The City actively works with other local governments to share knowledge and to achieve industry improvements through the Proclaim working group, WA Rates Officers Association and Finance Managers Group. The City undertook tenders for its annual audits and for the provision of banking facilities.

Strategic Corporate Marketing Plan

The City has developed a Strategic Corporate Marketing Plan to ensure the City is communicating consistent messages to the community in a coordinated way that makes the best use of resources.

There will be a number of tangible outcomes in the following year including the documentation of marketing policies, guidelines and templates to ensure all staff have access to the same information. Also, the implementation of an internal marketing group will assist with coordinating all marketing activities in the organisation.

Marketing Consulting Services

The Marketing Department continues to provide proactive marketing consulting services to the organisation from strategy and graphic design, through to implementation of marketing initiatives.

In-house design services to the organisation, which benefits the City in terms of efficiency, maintain a high quality and consistency of material to the community, and enormous cost savings for the organisation compared to outsourcing design services to external graphic design companies.

Official Civic Functions

The City hosted 27 Australian citizenship ceremonies in 2003/04 and swore in 1954 new citizens in the Civic Chambers. All new citizens receive a small gift from the City as a memento of the occasion.

The Civic Function calendar continued to include a number of annual community appreciation functions, welcome functions for conference delegates and students and annual cultural events. Our in-house catering department continues to provide superior service at all civic functions and Council-related meetings and events. The most unusual welcome would have to be the official welcome to the "Swim Across Australia" visit – a swimming pool on the back of a semi-trailer travelling from Geraldton to Sydney to raise awareness and funds to prevent childhood drowning.

Market Research

The City conducted the annual Customer Satisfaction Monitor in May 2003, with the findings being used for the performance indicators in the Annual Report and to monitor service levels and identify areas for improvement in service.

The City also conducted a communications study to determine the effectiveness of the City's communication products in reaching and being used by City residents. The overall awareness and use of products is reasonably high, as are general satisfaction levels with the amount and type of information available and the way it is received. These findings have been used to assist with decision-making for communicating information to the community.

Publications

The City continues to produce publications for distribution to the community such as: Annual Report, Community & Business Directory, Council News, Staff News, Leisure & Lifestyle Guide, the Scene Magazine, Youth Notebook and the What's On monthly flyer.



Promotions & Advertising

The City continues to develop avenues for promotion of local facilities, services, tourist attractions and businesses, including:

- What's On in Joondalup listings
- Virtual cycle tour of Joondalup
- Joondalup Festival & Summer Events
- Extreme Youth Festival
- Little Feet Festival
- New promotional material & maps
- Interactive CD-ROM, regional and City Centre maps and display material
- Displays at shopping centres
- Assist with redevelopment of City website
- Daily announcements on Twin Cities FM
- Preparation of City of Joondalup stand at WA on Show, the launch event to mark the opening of the Perth Convention & Exhibition Centre.

Library & Information Centres

In 2003/2004 the City recognised the important customer service role our libraries play and worked to better utilise these existing information channels. In conjunction with the two customer service centres, residents can also go to their local library to locate information on City services and upcoming events.

City's Record Keeping

The State Records Act 2000 required the City to submit a Recordkeeping Plan to the State Records Commission by 7 March 2004. The plan sets out the matters about which records are to be created, in which they will be created, how they are to be kept and their destruction.

The Joint Commissioners adopted the plan at their meeting held on 9 March 2004 and a copy is available on the City's website.

The City will be required to report on the approval of its plan by the State Records Commission in next year's Annual Report.

Executive Support and Corporate Governance

The primary function of the Audit & Executive Services Business Unit is to assist the Chief Executive Officer and Directors in effective management of the organisation through high-level advice and support. This is provided in keeping with relevant legislation, the City's Code of Conduct, Delegation of Authority and Council Policies.

Significant effort was spent on research, development and implementation of recommendations for organisational culture change.

Internal Audit

The internal audit function has continued to identify opportunities for improvement in processes to achieve greater organisational efficiencies. An Internal Audit Plan is in place to guide the City's audit objectives.

Information Management

The Information Management Unit manages the City's IT infrastructure and systems, and provides support to all Business Units in the effective use of these systems. During the year a number of projects were undertaken to improve the City's IT infrastructure and the delivery of IT services to the organisation. The demand on the Unit's resources remains high, with an increase of 15% in the volume of service requests compared to 2002/03.

Council Support

Council Support Services continued to provide high quality service throughout the year, both to the elected members and to the Joint Commissioners.

Human Resources

The Human Resources Business Unit achieved a number of significant outcomes over the last 12 months and continue to achieve Employer of Choice status.

The Employer of Choice project was a new approach to people management for the City. The project consists of four major sub-projects: Performance Management, Reward and Recognition, Training and Development and Leadership and Management.

The City received a commendation at the National Local Government Awards for its "Employer of Choice" project.

Performance Management System (PMS)

The performance management system (PMS) was one of the first Employer of Choice projects to be implemented. Its design and development commenced in late 2000. The system ensures the City takes a more active role in measuring key performance indicators, to ensure open, transparent and accountable management practices.

Training and Development

The City has undergone significant changes in the way in which training and development opportunities are recognised and provided to staff. This includes the introduction of a corporate training plan and focus on specific development programs, for example, the WELL (Workplace English Literacy Language) program being piloted by the Operation Field Staff, and the Frontline Management Initiative that most supervisors/ coordinators are undertaking.

Management and Leadership

Managers undertook development in conducting performance reviews and providing performance feedback as part of the PMS. Their understanding of Reward and Recognition (R&R) strategies has also been enhanced through the implementation of the R&R scheme.

In October 2003 all managers and directors took part in the LSI (Lifestyle inventory), a 360-degree feedback to provide an insight into how their behaviours are perceived by others and how this impacts on their leadership abilities. This was followed by one-on-one coaching with an external coach.

Induction Program

Until 2003, induction was undertaken on a very ad hoc basis by the HR unit. The new induction program is much more structured, and is phased over the first few months of employment, allowing sufficient time for the information provided to be relevant and applicable to the new employee.

Mentoring Program

As part of the new approach to training and development the City recently piloted a structured mentoring program. The program was launched in October 2003, with a forum attended by over 60 staff members, who were informed about mentoring by four external guest speakers. The pilot program was limited to a group of 9 pairs across the organisation.

HR Policy Development

HR has identified that in moving towards becoming an Employer of Choice, a number of approaches and frameworks need to be implemented. HR designed a policy framework, which outlined the direction our people management policies would develop in. Currently the team is finalising a learning and development policy and a conflict management framework and policy.

Culture Change Program

The Culture Change program focuses on internal communication, conflict resolution and empowerment/ decision-making to enable staff to drive the change towards becoming an 'Employer of Choice'. The program includes a quantitative measurement tool to track project performance.

Principal Activities Plan 2003/04

Under the Local Government Act 1995, the City of Joondalup is required to produce a Principal Activities Plan (PAP) each year detailing the major activities, estimated costs and funding sources for those activities.

The City is required to provide a report on of the principal activities commenced or continued during the financial year, and an assessment of the City's performance in relation to each principal activity.

The Principal Activities Plan provides a broad overview of the major projects and programs that the City will undertake over the next 5 years and identifies major new capital funding. The Principal Activities Plan is updated annually and the PAP 2003/04 to 2007/08 was formally adopted on 29 July 2003.

In relation to specific major new and capital works identified as principal activities for 2003/04 financial year, the following progress is reported:

Principal Activity	Progress during 2003/04	Performance
Joondalup Regional Performing Arts Centre	Negotiations for purchase of site finalised. Statutory requirement for the development of a Business Plan (Section 3.59 of Local Government Act) has delayed ability for Council to execute contract.	Works completed within scheduled timeframes and within overall budget.
Works Depot	Negotiations for purchase of site finalised. Statutory requirement for the development of a Business Plan (Section 3.59 of Local Government Act) has delayed ability of Council to execute contract. The City negotiated for an access bridge to be constructed and funded by Landcorp.	Works completed within scheduled timeframes and within overall budget.
Currambine Community Centre	The City is still waiting for land dealings to be finalised so that the site can be transferred to the City. The project is contingent upon joint funding from the Department of Community Development. The City continued to work with the Department to clarify the relative needs of Currambine.	Works completed within scheduled timeframes and within overall budget.
Craigie Leisure Centre	Research, master planning, concept design and development completed. Construction will begin in 2004/05.	Works completed within scheduled timeframes and within overall budget.
Tamala Park	Options for the development and conservation of Lot 118, Tamala Park continued to be examined by the seven owners and negotiations continued with State Government in relation to 'Bush Forever' constraints on the site.	Works completed within scheduled timeframes and within overall budget.
Mullaloo Beach Development	Construction of Stage 1 commenced (dual-use path and associated retaining walls).	Works completed within scheduled timeframes and within overall budget.
Sorrento Beach Development	Stage 1 works commenced. The contractor went into administration, delaying the project. The City renegotiated with the subcontractors and construction works recommenced in May 2004. Work is due to be completed in December 2004.	Works completed within scheduled timeframes and within overall budget.
Ocean Reef Development	Completed application for licensing of public jetty located on western wall of Ocean Reef Boat Harbour in June. Inter-agency working party meeting held on 29 August 2003. Scoping documents prepared and requests for tender prepared.	Works completed within scheduled timeframes and within overall budget.

During the 2003/04 financial year, the City identified the following principal activities relating to the provision of services:

Principal Activity	Progress during 2003/04	Performance
Approvals, Planning and Environmental Services	Included in reports (page 15 & 23 of Annual Report).	No significant variations from business plan and budget objectives.
Library and Information Services	Included in reports (page 11 & 28 of Annual Report).	No significant variations from business plan and budget objectives.
Community Development Services	Included in reports (page 12, 13, 14, 22 & 23 of Annual Report).	No significant variations from business plans and budget objectives.
Infrastructure Management and Ranger Services	Included in reports (page 15, 21 & 22 of Annual Report).	No significant variations from business plans and budget objectives.
Environmental Waste Management Services	Included in reports (page 18 of Annual Report).	No significant variations from business plans and budget objectives.
Operations Services	Included in reports (page 18 & 21 of Annual Report).	No significant variations from business plans and budget objectives.

NATIONAL COMPETITION POLICY

In 1995 the Council of Australian Governments entered into a number of agreements collectively known as the National Competition Policy.

This policy affects Local Government where it operates significant business, which compete with or could compete with private sector businesses.

Local Government will also be effected where its local laws unnecessarily affect competition.

The City is required to comply with certain policies contained within the National Competition Policy statement and report on progress in connection with Competitive Neutrality Principles and a review of local laws.

Competitive Neutrality

Requires the City to perform a "Public Benefit Test" in respect to all "user pays" business activities in any year where income is greater than \$200,000.

The following three areas of activity fit into that category are:

Craigie Leisure Centre;

Sorrento/Duncraig Leisure Centre; and

Ocean Ridge Leisure Centre.

The public benefit tests carried out for these activities indicated that competitive advantages and disadvantages existed in each of these Leisure Centres and it was beneficial to the local community to continue with the provision of these services in the future.

Principal Activities Plan 2003/04

OVERVIEW OF 2004/05 ACTIVITIES

The Principal Activities Plan for the five years commencing 2004/05 identified the same services as those in the 2003/04 Principal Activities Plan, those being:

- Approvals, Planning and Environmental Services
- Library and Information Services
- Community Development Services
- Infrastructure Management and Ranger Services
- Environmental Waste Management Services
- Operations Services.

The major new and capital works identified in the **2004/05** Principal Activities Plan are:

- Road preservation and resurfacing in accordance with prioritised program
- Extension and upgrading of footpaths and bicycle networks to enhance existing path infrastructure
- Foreshore development and natural areas management in accordance with priorities developed with community action groups
- Traffic management in Warwick, Sorrento, Heathridge, Marmion and Kingsley
- Intersection treatment in Warwick, Edgewater and Duncraig
- Upgrades to the Duncraig, Whitford, Woodvale and Joondalup Libraries
- Negotiations for the development of a structure plan for the Currambine Community Centre
- Progression of a concept plan and structure plan for the Ocean Reef Boat Harbour Development
- Finalising the contract of sale for the Joondalup Works Depot and progression of a Depot facility built with environmentally sustainable design requirements
- Joondalup Cultural Facilities – acquisition of land for the Cultural Facilities, and construction of an access road from Grand Boulevard to the Hospitality Training Centre and the site of the facility
- Craigie Leisure Centre – finalisation of design details and refurbishment of existing facilities
- Sorrento Beach Development – earthworks, foreshore retaining walls, concrete footpaths, beach access and grass reticulation works will commence
- Mullaloo Beach Development – Completion of Stage I including the construction of the dual-use path and retaining walls. The City will also be investigating the upgrading of lighting.

A copy of the current Principal Activities Plan (2004/05 - 2008/09) can be found on the City of Joondalup's website (www.joondalup.wa.gov.au)

Access and Inclusion Plan 2004-2008

Research has revealed that over 32,000 people living in the City of Joondalup have some form of disability resulting from birth trauma, ill health, accidents or as part of the ageing process.

A formal review of the City's Disability Services Plan was undertaken in 2002/03, with additional consultation required in 2003/04. Subsequent to the review and consultation, the City of Joondalup's Access and Inclusion Plan 2004-2008 was adopted by Council on 17 February 2004.

It is important to note that the new Access and Inclusion Plan 2004-2008 has incorporated issues that affect a wider cross-section of the community. Actions and tasks refer to people with needs for access and inclusion rather than people with a disability. This will accommodate the needs of other groups within the community who are facing the same needs, for example, seniors, parents with prams and those from culturally and linguistically diverse backgrounds. This direction is not intended to diminish the needs of people with a disability, rather to embrace the need to ensure an accessible and inclusive community for everyone.

The City has adopted the Access and Inclusion Plan 2004-2008 to ensure that all people can access Council facilities, functions and services. The Plan is subject to review and may be amended and extended as priorities and needs change.

The Access and Inclusion Plan 2004-2008 is available on the City of Joondalup's website or by phoning 9400 4315 to obtain a copy.



ABRIDGED *FINANCIAL STATEMENTS*



Abridged Financial Statements

Independent Audit Report

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 000

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INDEPENDENT AUDIT REPORT TO THE RATEPAYERS OF CITY OF JOONDALUP

Scope

We have audited the financial report of the City of Joondalup for the financial year ended 30 June 2004 as set out on pages 3 to 45. The Council is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the ratepayers of the City of Joondalup.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Local Government Act 1995, Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the City's financial position, the results of its operations and its cash flows.

The budget figures presented in the financial report have not been subject to audit and accordingly no opinion is expressed thereon.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with the Local Government Act 1995, applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of the City of Joondalup as at 30 June 2004 and the results of its operations and its cash flows for the year then ended.

In the course of our audit we have obtained all of the information and explanations that we require from the Council.

Statutory Compliance

We did not during the course of our audit, become aware of any instances where the City did not comply with the requirements of the Local Government Act 1995.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Graham McHarrie

Graham McHarrie

Partner

Perth, WA 7th October 2004

Member of
Deloitte Touche Tohmatsu

The liability of Deloitte Touche Tohmatsu, is limited by, and to the extent of,
the Accountants' Scheme under the Professional Standards Act 1994 (NSW).

Statement by the CEO

SCHEDULE 2

Form 1

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Joondalup being the annual financial report and supporting notes and other information for the financial year ended 30 June 2004 are in my opinion properly drawn up to present fairly the financial position of the City of Joondalup at 30 June 2004 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards (except to the extent that these have been varied in the Statement of Accounting Policies required by Australian Accounting Standard AAS 6 "Accounting Policies" and the accompanying notes to the annual financial report) and comply with the provisions of the Local Government Act 1995 and the regulations under the Act.

Signed on the 6th day of October 2004



Acting Chief Executive Officer
Clayton Higham

Abridged Financial Statements

CITY OF JOONDALUP

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004 (BY PROGRAMME)

REVENUES	Note	Actual 2004 \$	Adopted Budget 2004 \$	Actual 2003 \$
General Purpose Funding		50,012,425	49,439,870	46,751,939
Governance		608	135	8,717
Law, Order, Public Safety		453,112	532,984	609,830
Health		380,347	305,464	258,536
Education and Welfare		307,780	267,355	249,039
Community Amenities		8,310,398	7,974,308	7,870,505
Recreation and Culture		3,846,339	3,657,476	3,814,196
Transport		8,164,300	11,934,087	9,112,516
Economic Services		984,867	1,341,295	1,117,375
Other Property and Services		280,732	346,439	250,041
Total Operating Revenues	2b	72,740,908	75,799,413	70,042,694
EXPENSES				
General Purpose Funding		632,978	572,386	679,535
Governance		7,713,358	4,115,000	3,789,278
Law, Order, Public Safety		3,044,357	3,769,701	4,644,283
Health		1,367,796	1,609,537	1,262,552
Education and Welfare		1,622,196	1,878,302	1,242,001
Community Amenities		9,001,534	10,478,567	9,308,601
Recreation and Culture		21,238,330	20,901,759	21,184,024
Transport		16,410,344	18,203,735	16,942,061
Economic Services		1,280,503	1,207,887	1,345,715
Other Property and Services		5,419,810	5,845,673	5,818,268
Total Operating Expenses	2b	67,731,206	68,582,547	66,216,318
CHANGES IN NET ASSETS FROM OPERATIONS	2b	5,009,702	7,216,866	3,826,376

CITY OF JOONDALUP

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2004

	Note	Actual 2004 \$	Actual 2003 \$
CURRENT ASSETS			
Cash Assets	14	36,671,745	33,258,679
Receivables	6	2,455,803	2,269,207
Inventories	7	226	1,406
TOTAL CURRENT ASSETS		39,127,774	35,529,292
CURRENT LIABILITIES			
Payables	9	5,424,446	4,804,576
Provisions	9	4,572,257	4,340,075
Interest Bearing Liabilities	14	-	1,439,570
TOTAL CURRENT LIABILITIES		9,996,703	10,584,221
NET CURRENT ASSETS		29,131,071	24,945,071
NON CURRENT ASSETS			
Receivables	6	1,355,195	1,363,861
Property, Plant & Equipment	8	493,509,301	492,635,092
TOTAL NON CURRENT ASSETS		494,864,496	493,998,953
NON CURRENT LIABILITIES			
Provisions	9	708,067	666,226
TOTAL NON CURRENT LIABILITIES		708,607	666,226
NET NON CURRENT ASSETS		494,156,429	493,332,727
NET ASSETS		523,287,500	518,277,798
EQUITY			
Accumulated Surplus		500,255,711	500,842,243
Reserves	10	23,031,789	17,435,555
TOTAL EQUITY		523,287,500	518,277,798

Abridged Financial Statements

CITY OF JOONDALUP

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2004

	Note	Actual 2004 \$	Actual 2003 \$
RESERVES - CASH BACKED			
Balance at Beginning of Financial Year		17,435,555	16,345,577
Net amount transferred from/(to) to Accumulated Surplus		5,596,234	1,089,978
Balance at End of Financial Year	10	23,031,789	17,435,555
ACCUMULATED SURPLUS			
Balance at Beginning of Financial Year		500,842,243	498,105,845
Change in Net Assets Resulting from Operations	2b	5,009,758	3,826,376
Net transfers from/(to) Reserves		(5,596,234)	(1,089,978)
Balance at End of Financial Year		500,255,711	500,842,243
TOTAL EQUITY		523,287,500	518,277,798

CITY OF JOONDALUP

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

	Note	Actual 2004 Inflows (Outflows) \$	Adopted Budget 2004 Inflows (Outflows) \$	Actual 2003 Inflows (Outflows) \$
Cash Flows from Operating Activities				
Receipts:				
Rates - General		43,188,034	42,306,702	41,161,807
Rates – Specified Area Rate Iluka		148,273	151,604	173,912
Government Grants & Subsidies		6,552,047	6,816,376	6,467,179
Contributions, Reimbursements, Donations		3,459,395	6,375,826	2,133,159
Fees & Charges		11,751,037	12,675,563	12,432,991
Interest Earnings		2,390,622	2,230,600	2,053,424
Revenue from Other Councils		123,497	112,000	121,906
Total Receipts		67,612,905	70,668,671	64,544,378
Payments:				
Employee Costs		(26,822,011)	(25,839,723)	(23,918,087)
Materials, Contracts, Suppliers		(21,097,857)	(24,055,383)	(22,459,025)
Utilities (gas, electricity, water)		(2,830,133)	(2,937,850)	(2,826,615)
Insurance Expenses		(909,599)	(941,559)	(833,822)
Other Expenses		(21,086)	(20,000)	(821,841)
Total Payments		(51,680,686)	(53,794,515)	(50,859,390)
Net Cash Provided by Operating Activities	16	15,932,219	16,874,156	13,684,988
Cash Flows from Investing Activities				
Receipts:				
Proceeds from Sale of Assets		743,580	693,009	904,397
Total Receipts:		743,580	693,009	904,397
Payments:				
Purchase of Land		-	(3,800,000)	-
Purchase of Artworks		(23,613)	(20,000)	(14,655)
Purchase of Furniture and Equipment		(475,257)	(619,365)	(767,239)
Purchase of Vehicles and Plant		(1,241,785)	(1,930,990)	(1,836,703)
Construction of Infrastructure Assets		(10,082,508)	(19,943,923)	(9,934,852)
Total Payments		(11,823,163)	(26,314,278)	(12,553,449)
Net Cash (used in) Investing Activities		(11,079,583)	(25,621,569)	(11,649,052)
Net Increase (Decrease) in Cash Held		4,852,636	(8,747,113)	2,035,936
Cash at Beginning of the Financial Year		31,819,109	31,819,109	29,783,173
Cash at the End of the Financial Year	14	36,671,745	23,071,996	31,819,109

CITY OF JOONDALUP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

CITY OF JOONDALUP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

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INDEPENDENT AUDIT REPORT TO THE RATEPAYERS OF CITY OF JOONDALUP

Scope

We have audited the financial report of the City of Joondalup for the financial year ended 30 June 2004 as set out on pages 3 to 45. The Council is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the ratepayers of the City of Joondalup.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Local Government Act 1995, Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the City's financial position, the results of its operations and its cash flows.

The budget figures presented in the financial report have not been subject to audit and accordingly no opinion is expressed thereon.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with the Local Government Act 1995, applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of the City of Joondalup as at 30 June 2004 and the results of its operations and its cash flows for the year then ended.

In the course of our audit we have obtained all of the information and explanations that we require from the Council.

Statutory Compliance

We did not during the course of our audit, become aware of any instances where the City did not comply with the requirements of the Local Government Act 1995.



DELOITTE TOUCHE TOHMATSU



Graham McHarrie
Partner

Perth, WA 7th October 2004

Member of
Deloitte Touche Tohmatsu

SCHEDULE 2

Form 1

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Joondalup being the annual financial report and supporting notes and other information for the financial year ended 30 June 2004 are in my opinion properly drawn up to present fairly the financial position of the City of Joondalup at 30 June 2004 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards (except to the extent that these have been varied in the Statement of Accounting Policies required by Australian Accounting Standard AAS 6 “Accounting Policies” and the accompanying notes to the annual financial report) and comply with the provisions of the Local Government Act 1995 and the regulations under the Act.

Signed on the 6th day of October 2004

Acting Chief Executive Officer
Clayton Higham

CITY OF JOONDALUP
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004
(BY PROGRAMME)

REVENUES	Note	Actual 2004 \$	Adopted Budget 2004 \$	Actual 2003 \$
General Purpose Funding		50,012,425	49,439,870	46,751,939
Governance		608	135	8,717
Law, Order, Public Safety		453,112	532,984	609,830
Health		380,347	305,464	258,536
Education and Welfare		307,780	267,355	249,039
Community Amenities		8,310,398	7,974,308	7,870,505
Recreation and Culture		3,846,339	3,657,476	3,814,196
Transport		8,164,300	11,934,087	9,112,516
Economic Services		984,867	1,341,295	1,117,375
Other Property and Services		280,732	346,439	250,041
Total Operating Revenues	2b	72,740,908	75,799,413	70,042,694
EXPENSES				
General Purpose Funding		632,978	572,386	679,535
Governance		7,713,358	4,115,000	3,789,278
Law, Order, Public Safety		3,044,357	3,769,701	4,644,283
Health		1,367,796	1,609,537	1,262,552
Education and Welfare		1,622,196	1,878,302	1,242,001
Community Amenities		9,001,534	10,478,567	9,308,601
Recreation and Culture		21,238,330	20,901,759	21,184,024
Transport		16,410,344	18,203,735	16,942,061
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Other Property and Services		5,419,810	5,845,673	5,818,268
Total Operating Expenses	2b	67,731,206	68,582,547	66,216,318
CHANGES IN NET ASSETS FROM OPERATIONS	2b	5,009,702	7,216,866	3,826,376

Significant variances between Actual 2004 and Adopted Budget 2004 are shown in note 25

Notes to the Financial Statements are included on pages 9 to 45.

CITY OF JOONDALUP
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2004

	Note	Actual 2004 \$	Actual 2003 \$
CURRENT ASSETS			
Cash Assets	14	36,671,745	33,258,679
Receivables	6	2,455,803	2,269,207
Inventories	7	226	1,406
TOTAL CURRENT ASSETS		39,127,774	35,529,292
CURRENT LIABILITIES			
Payables	9	5,424,446	4,804,576
Provisions	9	4,572,257	4,340,075
Interest Bearing Liabilities	14	-	1,439,570
TOTAL CURRENT LIABILITIES		9,996,703	10,584,221
NET CURRENT ASSETS		29,131,071	24,945,071
NON CURRENT ASSETS			
Receivables	6	1,355,195	1,363,861
Property, Plant & Equipment	8	493,509,301	492,635,092
TOTAL NON CURRENT ASSETS		494,864,496	493,998,953
NON CURRENT LIABILITIES			
Provisions	9	708,067	666,226
TOTAL NON CURRENT LIABILITIES		708,607	666,226
NET NON CURRENT ASSETS		494,156,429	493,332,727
NET ASSETS		523,287,500	518,277,798
EQUITY			
Accumulated Surplus		500,255,711	500,842,243
Reserves	10	23,031,789	17,435,555
TOTAL EQUITY		523,287,500	518,277,798

Notes to the Financial Statements are included on pages 9 to 45.

**CITY OF JOONDALUP
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	Actual 2004 \$	Actual 2003 \$
RESERVES - CASH BACKED			
Balance at Beginning of Financial Year		17,435,555	16,345,577
Net amount transferred (from) / to Accumulated Surplus		5,596,234	1,089,978
		<hr/>	<hr/>
Balance at End of Financial Year	10	23,031,789	17,435,555
		<hr/>	<hr/>
ACCUMULATED SURPLUS			
Balance at Beginning of Financial Year		500,842,243	498,105,845
Change in Net Assets Resulting from Operations	2b	5,009,702	3,826,376
Net transfers from/(to) Reserves		(5,596,234)	(1,089,978)
		<hr/>	<hr/>
Balance at End of Financial Year		500,255,711	500,842,243
		<hr/>	<hr/>
TOTAL EQUITY		523,287,500	518,277,798
		<hr/>	<hr/>

Notes to the Financial Statements are included on pages 9 to 45.

**CITY OF JOONDALUP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	Actual 2004 Inflows (Outflows) \$	Adopted Budget 2004 Inflows (Outflows) \$	Actual 2003 Inflows (Outflows) \$
Cash Flows from Operating Activities				
Receipts:				
Rates – General		43,188,034	42,306,702	41,161,807
Rates – Specified Area Rate		148,273	151,604	173,912
Government Grants & Subsidies		6,552,047	6,816,376	6,467,179
Contributions, Reimbursements, Donations		3,459,395	6,375,826	2,133,159
Fees & Charges		11,751,037	12,675,563	12,432,991
Interest Earnings		2,390,622	2,230,600	2,053,424
Revenue from Other Councils		123,497	112,000	121,906
Total Receipts		67,612,905	70,668,671	64,544,378
Payments:				
Employee Costs		(26,822,011)	(25,839,723)	(23,918,087)
Materials, Contracts, Suppliers		(21,097,857)	(24,055,383)	(22,459,025)
Utilities (gas, electricity, water)		(2,830,133)	(2,937,850)	(2,826,615)
Insurance Expenses		(909,599)	(941,559)	(833,822)
Other Expenses		(21,086)	(20,000)	(821,841)
Total Payments		(51,680,686)	(53,794,515)	(50,859,390)
Net Cash Provided by Operating Activities	16	15,932,219	16,874,156	13,684,988
Cash Flows from Investing Activities				
Receipts:				
Proceeds from Sale of Assets		743,580	693,009	904,397
Total Receipts:		743,580	693,009	904,397
Payments:				
Purchase of Land		-	(3,800,000)	-
Purchase of Artworks		(23,613)	(20,000)	(14,655)
Purchase of Furniture and Equipment		(475,257)	(619,365)	(767,239)
Purchase of Vehicles and Plant		(1,241,785)	(1,930,990)	(1,836,703)
Construction of Infrastructure Assets		(10,082,508)	(19,943,923)	(9,934,852)
Total Payments		(11,823,163)	(26,314,278)	(12,553,449)
Net Cash (used in) Investing Activities		(11,079,583)	(25,621,569)	(11,649,052)
Net Increase (Decrease) in Cash Held		4,852,636	(8,747,113)	2,035,936
Cash at Beginning of the Financial Year		31,819,109	31,819,109	29,783,173
Cash at the End of the Financial Year	14	36,671,745	23,071,996	31,819,109

Significant variances between Actual 2004 and Adopted Budget 2004 are shown in note 26

Notes to the Financial Statements are included on pages 9 to 45.

CITY OF JOONDALUP

STATEMENT OF GENERAL PURPOSE FUNDING

AS AT 30 JUNE 2004

GENERAL PURPOSE FUNDING	ACTUAL 2003/2004	BUDGET 2003/2004	BUDGET VALUATIONS
	\$	\$	\$
<u>General Rates</u>			
GRV Rate in \$ - 6.7184	39,287,446	39,323,370	585,308,343
UV Rate in \$ - 0.5252	153,715	162,503	30,941,194
<u>Minimum Payment</u>			
GRV Assessments (Comm/Ind)	27,199	27,199	308,718
GRV Assessments (Residential)	3,739,171	3,739,171	50,630,769
<u>Interim Rates</u>			
GRV	509,211	601,623	
UV			
Total General Rates Levied	43,716,742	43,853,866	667,189,024
Less Discount Allowed (Note 3a)	(1,156,273)	(1,155,000)	
Total Amount Made up from Rates	42,560,469	42,698,866	
Plus - Late Payment Interest (Note 3c)	271,058	247,720	
Plus - Administration Fees (Note 3b)	311,579	237,120	
Total Rates Levied	43,143,106	43,183,706	
General Purpose Grant			
General (Untied) Grant	3,921,990	3,895,564	
Other General Purpose Income			
Pensioners' Deferred Rates	46,435	50,000	
Other Miscellaneous Reimbursements	510,272	280,000	
Interest on Investments	2,390,622	2,230,600	
Total General Purpose Income Shown on Statement of Financial Performance	50,012,425	49,639,870	

Notes to the Financial Statements are included on pages 9 to 45.



CITY OF JOONDALUP
STATEMENT OF RATING INFORMATION
As at 30 June 2004

	GENERAL RATES			
	Rateable Value	No of Properties	Rate in \$	Rate Yield
General Rate - GRV	\$		c	\$
Residential	476,700,489	47,678	6.7184	31,844,914
Commercial Improved	99,823,840	825	6.7184	6,678,184
Commercial Not Improved	606,500	29	6.7184	38,890
Industrial	8,177,514	344	6.7184	725,458
Sub Total GRV	585,308,343	48,876		39,287,446
General Rate - UV				
Residential	2,248,000	8	0.5252	3,020
Rural	28,693,194	4	0.5252	150,695
Total UV	30,941,194	12		153,715
Interim Rates	-		-	509,211
				39,950,372
Discount Allowed (Note 3a)				
TOTAL RATES LEVIED				
Interest on Outstanding Rates (Note 3c)				
Installment Administration Charge (Note 3b)				
TOTAL RATES REVENUE				

MINIMUM PAYMENTS				
Rateable Value	No of Properties	Minumum Rate	Rate Yield	TOTAL
\$		\$	\$	\$
50,630,769	8,111	461	3,739,171	35,584,085
182,480	38	461	17,518	6,695,702
36,000	6	461	2,766	41,656
90,238	15	461	6,915	732,373
50,939,487	8,170		3,766,370	43,053,816
				3,020
				150,695
				153,715
				509,211
				43,716,742
				(1,156,273)
				42,560,469
				271,058
				311,579
				43,143,106

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

These general purpose financial statements have been drawn up in accordance with the accounting concepts, standards and disclosure requirements of the Australian accounting bodies, the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. They have been prepared on the accrual basis under the convention of historical cost accounting and include the requirements of Australian Accounting Standard AAS27.

(b) 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's Trust Fund have been excluded from the consolidated financial statements, but a separate statement of those monies appears at Note 12 to these financial statements.

(c) 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 Statement of Financial Performance.

Depreciation Rates:

Freehold Land	Nil	Artworks	Nil
Light Vehicles	7.5%	Buildings	2.5%
Heavy Vehicles	10.5%	Mobile Plant	12.5%
Computer Equipment	33.4%	Furniture & Office Equipment	10.0%
Other Equipment	10.0%	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 Statement of Financial Performance.

Infrastructure Assets acquired and constructed during the year are depreciated over their estimated useful lives on a straight-line basis from the commencement of the following financial year. Depreciation has been charged to the Statement of Financial Performance.

Engineering Infrastructure Assets (reserves, roads, footpaths, drainage and other engineering assets) 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 Regulation 16 of the Local Government (Financial Management Regulations 1996), land under roads has not been recognised as an asset in the statement of financial position.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation Rates:

Reserves -	Playground Equipment	10.0%
	Sports Facilities	10.0% - 20.0%
	Picnic Facilities	10.0%
	Park Benches	8.0%
	Fencing	5.0% - 10.0%
	Reticulation	13.0% - 20.0%
	Park Structures	5.0% - 10.0%
	Pathways	5.0% - 10.0%
	Lighting	13.0%
	Oval Development	Nil
Engineering -	Roads/Traffic Management	2.0% - 5.0%
	Drainage	1.25%
	Car Parking	2.5%
	Public Access Ways	2.5% - 4.0%
	Footpaths/Bicycle Facilities	2.0% - 4.0%
	Robertson Road Cycleway	2.5% - 16.0%
	Beach Access Ways	2.5% - 10.0%
	Hardcourt Surfaces	2.5% - 20.0%
	Bus Shelters	2.0%
	Underpasses/Bridges	1.0% - 10.0%
	Joondalup City Lighting	2.0% - 16.0%
	Ocean Reef Boat Harbour	2.0% - 4.0%

Certain infrastructure assets listed above include various components with each component depreciated separately.

(d) 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 (Rebates 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.

(e) 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.

(f) Investments

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

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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.

When some or all of the economic benefit required to settle a provision is expected to be recovered from another Local Government it is recorded in receivables at time of settlement.

Provisions made in respect of wages and salaries, annual leave and long service leave expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of long service leave which is not expected to be settled within 12 months is measured at the 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.

(h) Superannuation Fund

The City makes a statutory contribution to the Local Government Superannuation Plan on behalf of its employees. The expense relating to those contributions has been included in the Statement of Financial Performance.

(i) 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 Statement of Financial Performance at the time of signing a binding contract of sale.

(j) Works in Progress

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

(k) Crown Land

In accordance with the provisions of AAS27 Crown land set aside as a public road reserve or other public thoroughfare or under the control of a local government 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. Improvements or structures placed upon such land have been accounted for as assets of the City.

(l) 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.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Receivables

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

(n) Goods and Services Tax

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

- 1 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
- 2 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.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating flows.

(o) 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.

(p) Inventories

Inventories are valued at the lower of cost and net realisable value.

(q) 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.

(r) Rounding off of Figures

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

(s) International Financial Reporting Standards

The Australian Accounting Standards Board (AASB) is adopting the International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005 (effective for the 30 June 2006 financial report). This requires the production of accounting data for future comparative purposes at the end of the 2004 financial year. The City is assessing the significance of these changes and preparing for their implementation.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) International Financial Reporting Standards (continued)

The City has received preliminary advice that the differences in accounting policies which will arise on adoption of IFRS are not likely to be significant.

The above advice should not be regarded as definitive as not all standards have been analysed at this time, and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not possible at this time to quantify the impact of the transition to IFRS on the City's financial position and reported results.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

2. OPERATING REVENUES AND EXPENSES

	Note	Actual 2004 \$	Adopted Budget 2004 \$	Actual 2003 \$
(a) The change in net assets resulting from operations was arrived at after charging/(crediting) the following items:				
Depreciation:	1c			
Buildings		1,658,356	1,650,000	1,631,007
Furniture/Office Computer Equipment		540,518	523,308	589,662
Plant and Vehicles		719,563	699,360	708,211
Other Equipment		72,028	66,428	76,926
Infrastructure Assets – Reserves		1,920,132	1,727,000	2,042,273
Infrastructure Assets – Engineering		9,583,782	9,669,000	9,331,302
		14,494,379	14,335,096	14,379,381
(b) Operating Expenses and Revenues Classified According to Nature and Type:				
Operating Revenues				
Rates – General		42,560,469	42,698,866	40,309,312
Rates - Specified Area		156,015	151,604	158,106
Government Grants and Subsidies		7,077,265	6,816,376	6,309,122
Contributions, Reimbursements & Donations		7,821,592	11,056,326	8,508,134
Profit on Asset Disposals		46,538	59,078	69,447
Fees and Charges		12,550,948	12,674,563	12,513,242
Interest Earnings		2,390,622	2,230,600	2,053,424
Other Revenue		137,459	112,000	121,907
		72,740,908	75,799,413	70,042,694
Operating Expenses				
Employee Costs		27,096,035	26,039,975	24,481,175
Materials, Contracts and Suppliers		22,260,245	24,056,383	22,570,162
Utilities (gas, electricity, water etc)		2,830,133	2,937,850	2,826,615
Depreciation on Non - Current Assets		14,494,379	14,335,096	14,379,381
Loss on Asset Disposals		119,729	251,684	303,322
Insurance Expense		909,599	941,559	833,822
Other (FESA Contribution)		21,086	20,000	821,841
		67,731,206	68,582,547	66,216,318
Changes in Net Assets from Operations		5,009,702	7,216,866	3,826,376

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

2. OPERATING REVENUES AND EXPENSES (continued)

(c) Individually Significant Items

Contributions to Infrastructure Assets from developers were less than anticipated and have been included in note 8 Property, Plant and Equipment, with the revenue included in the Statement of Financial Performance under contributions, reimbursements and donations as follows:-

Note	Actual 2004 \$	Adopted Budget 2004 \$	Actual 2003 \$
Buildings	539,760	550,000	-
Parks and Reserves	416,000	120,000	259,540
Roads, Drainage, Footpaths etc	3,406,437	4,170,000	6,115,435
	4,362,197	4,840,000	6,374,975

Included in the Parks and Reserves 2003/04 actuals are: Harbour View Park Hillarys \$290,710 – higher value than anticipated, Discovery Park Iluka \$38,889 and De Crillon Park Currambine \$86,401. Included in the 2003/04 Roads, Drainage and Footpaths actuals are: Joondalup City North (various) \$1,069,152, Harbour Rise Hillarys \$440,638, Iluka (various) \$902,107, various other items \$994,540.

(d) Borrowing Costs

The City did not have any loan borrowings during the period ending 30th June 2004.

(e) Conditions over Grants and Contributions

	Actual 2004 \$	Actual 2003 \$
Grants and contributions which were recognised as revenues during the year and which were obtained on the condition that they be expended on the acquisition of current and non current assets but have yet to be applied in that manner at the reporting date were:		
Main Roads – Various Road Programmes	-	3,558
Black Spot Program – Marmion Ave/Shenton Ave, Connolly	-	21,333
Black Spot Program – Marmion Ave/Mari Road, Duncraig	-	1,133
Volunteer Resource Centre	-	5,550
Youth Holiday Program	-	2,000
Healthways – Extreme Youth Festival	5,000	3,000
Recreation for People with Disabilities	-	2,400
Childrens Book Week	1,200	1,200
MRRP – Shenton Avenue, Joondalup	-	156,057
LotteryWest – Youth Advisory	4,686	-
WALGA – Local Activity Grants	7,500	-
Department of Planning & Infrastructure - Wood Burners	60,000	-
Mission Australia – Work for the Dole	1,043	-
Department of Indigenous Affairs	5,000	-
Department of Planning & Infrastructure – Perth Bicycle Networks	25,000	-
	109,429	196,231

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

3. RATES AND SERVICE CHARGES - PAYMENT OPTIONS

(a) Rates Discount and Incentive Scheme

Council, in accordance with the provisions of Section 6.46 of the Local Government Act 1995, offered the following discount and early payment incentives for the 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 fees inclusive of GST within 28 days of the issue date on the annual rate notice:
 - a 5% discount on 2003/2004 general rates only; and
 - eligibility to enter the early payment incentive draw which included a range of prizes sponsored by a number of organisations and thus at no cost to the City.
 - prizewinners were chosen by a computerized random selection process. They were then invited to attend a prize draw function during which prizes and prize winners names were drawn. Details of sponsors and prizes were placed in sealed envelopes and placed in separate boxes.

These statements reflect that \$1,156,273 was allowed for discounts for the early payment of rates.

(b) Rates Payment Options

The City, in accordance with the provisions of Section 6.45 of the Local Government Act 1995, offered the following payment options for the payment of rates (including specified area rates), Emergency Services Levy, domestic refuse charges, private swimming pool inspection fees and property surveillance & security charge inclusive of GST:

- **One Instalment**

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

Payment in full within 35 days of the issue date of the annual rate notice.

- **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 date of issue of the annual rate notice.

The second instalment of 50% 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, payable 63 days after due date of first rate instalment.

- **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 outstanding arrears payable within 35 days of the issue of the annual rate notice.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

3. RATES AND SERVICE CHARGES - PAYMENT OPTIONS (Continued)

(b) Rates Payment Options (continued)

The second, third and fourth installment, each 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 payable as follows:

- **2nd instalment – 63 days after due date of 1st instalment**
- **3rd instalment – 63 days after due date of 2nd instalment**
- **4th instalment – 63 days after due date of 3rd instalment**

Installment Charges and Calculation of Interest

The instalment options were 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 amount 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 issue date of the annual rate notice 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 of 5.5% per annum, calculated on a simple interest basis on :

- 75% 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 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 rates), 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 rates), Emergency Services Levy, domestic refuse charge and private swimming pool inspection fees inclusive of GST calculated from the due date of third instalment to the due date of the fourth instalment.

- **Special Payment Arrangements**

Special monthly or fortnightly payment arrangements were made with the City for those ratepayers who were unable to pay in full or according to the instalment plans offered. An administration fee of \$22.00 per assessment was charged on all payment arrangements and penalty interest of 8.95% pa was applied to the outstanding balance until the account is paid in full.

These statements reflect that \$ 311,579 was generated from instalment costs charged on outstanding rates.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

3. RATES AND SERVICE CHARGES - PAYMENT OPTIONS (continued)

(c) Late Payment Interest

The Council, in accordance with the provisions of Section 6.13 and Section 6.51 of the Local Government Act 1995, imposed interest on all current and arrears general rates (including specified area rates), current and arrears domestic refuse charges, current and arrears private swimming pool inspection fees (inclusive of GST) and arrears property surveillance & security charge at a rate of 8.95% per annum, calculated on a simple interest basis on arrears amounts that remain unpaid and current amounts that remain unpaid 35 days from the issue date of the original rate notice, or the due date of the instalment and continues until the 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 was charged once per month on the outstanding balance on the day of calculation for the number of days as previously detailed.

These statements reflect an amount of \$271,058 generated from interest charged on outstanding rates.

(d) Domestic Refuse Charges

The Council, BY AN ABSOLUTE MAJORITY in accordance with the Health Act 1911 (as amended) imposed the following domestic refuse charges for the 2003/2004 financial year:

- \$126.00 per existing unit serviced; 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.

(e) Private Swimming Pool Inspection Fees

The Council, in accordance with the provisions of Section 245A (8) of the Local Government (Miscellaneous Provisions) Act 1960 imposed 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.

(f) Prescribed Services – Specified Area Rating Iluka

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2003/2004 financial year, a specified area rate for the area of Iluka for maintaining enhanced landscaping services.

A rate in the dollar of 0.52827¢ was charged on the Gross Rental Value on each property with a total rateable value which levied income of \$ 75,549.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

3. RATES AND SERVICE CHARGES - PAYMENT OPTIONS (continued)

(g) Prescribed Services – Specified Area Rating Woodvale Waters

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2003/2004 financial year, a specified area rate for the area of Woodvale Waters for maintaining enhanced landscaping services.

A rate in the dollar of 1.3217¢ was charged on the Gross Rental Value on each property with a total rateable value which levied income of \$21,096.

(h) Prescribed Services – Specified Area Rating Harbour Rise

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2003/2004 financial year, a specified area rate for the area of Harbour Rise for enhanced landscaping services.

A rate in the dollar of 1.0806¢ was charged on the Gross Rental Value on each property with a total rateable value which levied income of \$59,370.

(i) Write Off Rates and Charges

The total value of rates and charges from previous years written off during the year was \$ 6,715.

(j) Schedule Of Valuations and Rate Revenue

The schedule of valuations and rate revenue is shown on the “Statement of Rating Information As at 30 June 2004” on page 8 of this report.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

4 (a). FEES AND CHARGES INFORMATION

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

The total revenue from fees and charges by programme as required under regulation 41 of the Local Government (Financial Management) Regulations 1996 are shown below.

By Programme	Note	Actual 2004 \$	Budget 2004 \$
General Purpose Funding		582,637	484,840
Law Order and Public Safety		390,736	409,291
Health		262,676	280,739
Education and Welfare		46,278	36,279
Community Amenities		8,012,058	7,846,859
Recreation and Culture		2,056,196	2,306,950
Transport		146,471	128,079
Economic Services		984,082	1,140,138
Other Property and Services		69,814	41,388
		12,550,948	12,674,563

4 (b). GOVERNMENT GRANTS INFORMATION

The total revenue from government grants by programme as required under Australian Accounting Standard AAS27 paragraph 86(b) are shown below.

By Programme	Note	Actual 2004 \$	Budget 2004 \$
General Purpose Funding		3,968,426	3,945,564
Law Order and Public Safety		289	90,000
Health		106,973	0
Education and Welfare		186,514	163,200
Community Amenities		95,012	45,000
Recreation and Culture		217,300	363,249
Transport		2,502,751	2,209,363
		7,077,265	6,816,376

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

5. INVESTMENTS

	Actual 2004 \$	Actual 2003 \$
Restricted	23,141,218	17,631,786
Unrestricted	13,530,527	14,187,323
	36,671,745	31,819,109
Investments comprise short term deposits held with financial institutions.		
The following restrictions have been imposed by regulations or other externally imposed requirements:-		
Asset Replacement Reserve	7,233,986	7,163,348
Cash in Lieu of Parking Reserve	357,381	363,874
Cash in Lieu of Public Open Space Reserve	1,066,539	832,339
Community Facilities Reserve	344,000	-
Domestic Cart - Refuse Collection Reserve	1,272,227	2,724,138
Heavy Vehicles Replacement Reserve	843,935	710,481
Hodges Drive Drainage Reserve	196,309	187,309
Joondalup City Centre Public Parking Reserve	229,122	52,022
Leisure Centres Capital Improvements Reserve	7,416,195	14,445
Library Literacy Program Reserve	7,605	1,162
Light Vehicles Replacement Reserve	468,385	638,684
Ocean Reef Boat Launching Facility Reserve	55,991	53,491
Performing Arts Facility Reserve	1,688,971	3,135,459
Plant Replacement Reserve	991,582	708,378
Rates Revaluation Reserve	65,000	-
Section 20A Land Reserve	31,792	30,292
Specified Area Rating Harbour Rise Reserve	57,833	28,336
Special Area Rating Iluka Reserve	131,578	5,330
Town Planning Scheme 10 Reserve	560,858	773,967
Wanneroo Bicentennial Trust Reserve	12,500	12,500
Unspent Government Grants and Contributions	109,429	196,231
	23,141,218	17,631,786

Expenditure of funds held in Reserves is under the direction of Council. Expenditure of unspent Government Grants and Contributions can only be spent for the purpose intended.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

6. RECEIVABLES

	Actual 2004 \$	Actual 2003 \$
Current		
Rates Receivables Outstanding	479,443	569,456
Trade Receivables	1,162,042	812,803
Allowance for Doubtful Debts	(31,599)	(37,165)
Prepaid Expenses	207,042	156,302
Accrued Income	124,468	284,479
Goods & Services Tax (GST) Receivable	514,407	483,332
	<hr/> 2,455,803 <hr/>	<hr/> 2,269,207 <hr/>
Non-Current		
Rates Receivable Outstanding - Pensioners Deferred	940,676	907,956
Deferred Receivable – Local Government House	20,367	20,367
Capital Advance - Mindarie Regional Council	274,288	274,288
Capital Advance - City of Wanneroo	107,500	161,250
Other	12,364	-
	<hr/> 1,355,195 <hr/>	<hr/> 1,363,861 <hr/>

Deferred Receivable - Local Government House - the City holds five units valued at \$4,073.38 each. These units were being revalued at 30th June 2004, however the valuations are currently incomplete. Change to the valuation will be reflected during the year ending 30th June 2005.

Capital Investment – Mindarie Regional Council – represents contributions made between 1988 – 1993 to assist with the initial operations of the waste treatment facilities.

Capital Advance to the City of Wanneroo – represents an advance for the upgrade of the Materials Recovery Facility at Wangara in joint participation between the Cities of Wanneroo, Swan and Joondalup. The amount is to be repaid to the City of Joondalup over five years at \$43,000 per year.

7. INVENTORIES

	Actual 2004 \$	Actual 2003 \$
Materials	<hr/> 226 <hr/>	<hr/> 1,406 <hr/>

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

8. PROPERTY, PLANT AND EQUIPMENT

Fixed Assets At Cost	Freehold Land at Cost	Buildings at Cost	Artworks, Furniture and Computer Equipment at Cost	Other Equipment at Cost	Mobile Plant and Vehicles at Cost	TOTAL
	\$	\$	\$	\$	\$	\$
<i>Gross Carrying Amount</i>						
Balance at 30 June 2003	3,027,048	66,207,983	6,617,569	1,312,358	7,564,547	84,729,505
Transfers and Adjustments	-	-	276,974	(293,973)	286,203	269,204
Additions	-	1,854,596	131,016	366,909	1,241,785	3,594,306
Disposals	-	-	(285,140)	(9,325)	(1,201,688)	(1,496,153)
Balance at 30 June 2004	3,027,048	68,062,579	6,740,419	1,375,969	7,890,847	87,096,862
<i>Accumulated Depreciation/Amortisation</i>						
Balance at 30 June 2003	-	(14,763,915)	(4,902,700)	(1,037,391)	(1,964,955)	(22,668,961)
Additions	-	(1,658,356)	(540,518)	(72,028)	(719,563)	(2,990,465)
Disposals	-	-	275,171	8,976	395,235	679,382
Balance at 30 June 2004	-	(16,422,271)	(5,168,047)	(1,100,443)	(2,289,283)	(24,980,044)
Net Book Value	3,027,048	51,640,308	1,572,372	275,526	5,601,564	62,116,818
As at 30 June 2003	3,027,048	51,444,068	1,714,869	274,967	5,599,589	62,060,541
As at 30 June 2004	3,027,048	51,640,308	1,572,372	275,526	5,601,564	62,116,818

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:

	2004 \$	2003 \$
Buildings	1,658,356	1,631,007
Plant and Vehicles	719,563	708,211
Plant and equipment	72,028	76,926
Artworks, Furniture and Computer Equipment	540,518	589,662
	2,990,465	3,005,806

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

8. PROPERTY, PLANT AND EQUIPMENT (continued)

Infrastructure Assets	Reserves	Roads	Footpaths	Drainage	Other Infrastructure	TOTAL
	\$	\$	\$	\$	\$	\$
Gross Carrying Amount						
Balance at 30 June 2003						
Deemed Cost Pre - 1997	16,971,546	184,422,507	8,170,671	125,616,531	21,313,677	356,494,932
Cost Post - 1997	16,662,240	82,654,039	4,933,112	18,606,303	5,624,601	128,480,295
Additions	1,198,786	5,646,133	554,926	1,015,157	1,240,817	9,655,819
Disposals	-	-	-	-	-	-
Balance at 30 June 2004	34,832,572	272,722,679	13,658,709	145,237,991	28,179,095	494,631,046
Accumulated Depreciation/Amortisation						
Balance at 30 June 2003	(7,872,184)	(31,515,900)	(1,749,899)	(12,475,167)	(4,156,677)	(57,769,827)
Additions	(1,920,132)	(6,312,466)	(404,951)	(2,186,723)	(679,642)	(11,503,914)
Disposals	-	-	-	-	-	-
Balance at 30 June 2004	(9,792,316)	(37,828,366)	(2,154,850)	(14,661,890)	(4,836,319)	(69,273,741)
Net Book Value	25,040,256	234,894,313	11,503,859	130,576,101	23,342,776	425,357,305
As at 30 June 2003	25,761,602	235,560,646	11,353,884	131,747,667	22,781,601	427,205,400
As at 30 June 2004	25,040,256	234,894,313	11,503,859	130,576,101	23,342,776	425,357,305

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:

	2004 \$	2003 \$
Reserves	1,920,132	2,042,273
Roads	6,312,466	6,117,313
Footpaths	404,951	386,676
Drainage	2,186,723	2,165,690
Other Infrastructure	679,642	661,623
	11,503,914	11,373,575

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

8. PROPERTY, PLANT AND EQUIPMENT (continued)

	Actual 2004 \$	Actual 2003 \$
Work in Progress - Buildings	1,176,867	856,099
Work in Progress - Reserves	955,523	68,696
Work in Progress - Roads	3,332,950	1,653,553
Work in Progress - Drainage	110,852	94,343
Work in Progress - Footpaths	189,521	43,427
Work in Progress - Car Parking	-	448,705
Work in Progress - Other Engineering	269,465	204,328
	<hr/> 6,035,178	<hr/> 3,369,151
Net Book Value of Property, Plant and Equipment	<hr/> 493,509,301	<hr/> 492,635,092

9. PAYABLES AND PROVISIONS

	Actual 2004 \$	Actual 2003 \$
Current		
Payables		
Trade Payables	2,873,855	2,261,056
Sundry Payables	1,346,563	1,444,549
Accrued Expenses	1,141,887	1,005,649
Goods & Services Tax (GST) Payable	62,141	93,322
	<hr/> 5,424,446	<hr/> 4,804,576
Provisions		
Provision for Annual Leave	2,061,767	2,160,551
Provision for Long Service Leave	1,900,393	1,605,837
Provision for Sick Leave	-	45,750
Provision for Workers Compensation Premium	610,097	527,937
	<hr/> 4,572,257	<hr/> 4,340,075
Non Current		
Provision for Long Service Leave	<hr/> 708,067	<hr/> 666,226

Non current long service leave relates to employees who have less than seven years service as per AAS 30.

Note: Number of Employees (FTE) at end of financial year (2004) 437 (2003) 437

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

10. RESERVES

	Actual 2004 \$	Adopted Budget 2004 \$	Actual 2003 \$
(a) Asset Replacement Reserve			
Opening Balance	7,163,348	7,163,348	7,034,398
Transfer from Accumulated Surplus	1,361,769	279,000	142,250
Transfer to Accumulated Surplus	(1,291,131)	(1,187,000)	(13,300)
	<hr/>	<hr/>	<hr/>
Closing Balance	7,233,986	6,255,348	7,163,348
	<hr/>	<hr/>	<hr/>
Expenditure from this Reserve required only when approved developments are identified			
(b) Cash in Lieu of Parking Reserve			
Opening Balance	363,874	363,874	419,551
Transfer From Accumulated Surplus	17,000	17,000	16,890
Transfer to Accumulated Surplus	(23,493)	-	(72,567)
	<hr/>	<hr/>	<hr/>
Closing Balance	357,381	380,874	363,874
	<hr/>	<hr/>	<hr/>
Expenditure from this Reserve required only when approved developments identified			
(c) Cash in Lieu of Public Open Space Reserve			
Opening Balance	832,339	832,339	704,311
Transfer From Accumulated Surplus	239,717	34,500	139,028
Transfer to Accumulated Surplus	(5,517)	-	(11,000)
	<hr/>	<hr/>	<hr/>
Closing Balance	1,066,539	866,839	832,339
	<hr/>	<hr/>	<hr/>
Expenditure from this Reserve required only when approved developments identified			
(d) Community Facilities Reserve			
Opening Balance	-	-	-
Transfer From Accumulated Surplus	844,000	844,000	-
Transfer to Accumulated Surplus	(500,000)	(515,000)	-
	<hr/>	<hr/>	<hr/>
Closing Balance	344,000	329,000	-
	<hr/>	<hr/>	<hr/>
Expenditure from this Reserve required only when approved developments identified			

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

10. RESERVES (continued)

	Actual 2004 \$	Adopted Budget 2004 \$	Actual 2003 \$
(e) Domestic Cart – Refuse Collection Reserve			
Opening Balance	2,724,138	2,724,138	2,333,125
Transfer From Accumulated Surplus	722,964	735,100	391,013
Transfer to Accumulated Surplus	(2,174,875)	(1,670,000)	-
	<hr/>	<hr/>	<hr/>
Closing Balance	1,272,227	1,789,238	2,724,138
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Expenditure from this Reserve is ongoing.			
(f) Heavy Vehicles Replacement Reserve			
Opening Balance	710,481	710,481	578,926
Transfer from Accumulated Surplus	167,558	197,770	183,248
Transfer to Accumulated Surplus	(34,104)	(60,000)	(51,693)
	<hr/>	<hr/>	<hr/>
Closing Balance	843,935	848,251	710,481
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Expenditure from this Reserve is ongoing and relates to the heavy vehicle replacement programme			
(g) Hodges Drive Drainage Reserve			
Opening Balance	187,309	187,309	179,309
Transfer from Accumulated Surplus	9,000	9,000	8,000
	<hr/>	<hr/>	<hr/>
Closing Balance	196,309	196,309	187,309
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Expenditure from this Reserve is only when required.			
(h) Joondalup City Centre Parking Reserve			
Opening Balance	52,022	52,022	455,373
Transfer from Accumulated Surplus	177,100	7,000	35,895
Transfer to Accumulated Surplus	-	(17,913)	(439,246)
	<hr/>	<hr/>	<hr/>
Closing Balance	229,122	41,109	52,022
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Expenditure from this Reserve is only when required.			

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

10. RESERVES (continued)

	Actual 2004 \$	Adopted Budget 2004 \$	Actual 2003 \$
(i) Joondalup Normalisation Agreement Reserve			
Opening Balance	-	-	-
Transfer from Accumulated Surplus	1,900,000	5,240,000	-
Transfer to Accumulated Surplus	(1,900,000)	(5,240,000)	-
	<hr/>	<hr/>	<hr/>
Closing Balance	-	-	-
	<hr/>	<hr/>	<hr/>
Expenditure from this Reserve only when approved.			
(j) Leisure Centres Capital Replacement Reserve			
Opening Balance	14,445	14,445	14,445
Transfer from Accumulated Surplus	7,401,750	7,150,000	-
	<hr/>	<hr/>	<hr/>
Closing Balance	7,416,195	7,164,445	14,445
	<hr/>	<hr/>	<hr/>
Expenditure from this Reserve only when approved.			
(k) Library Literacy Program Reserve			
Opening Balance	1,162	1,162	-
Transfer from Accumulated Surplus	6,443	-	1,162
	<hr/>	<hr/>	<hr/>
Closing Balance	7,605	1,162	1,162
	<hr/>	<hr/>	<hr/>
Expenditure from this Reserve is required only when this project is undertaken.			
(l) Light Vehicles Replacement Reserve			
Opening Balance	638,684	638,684	924,799
Transfer from Accumulated Surplus	443,069	573,060	489,038
Transfer to Accumulated Surplus	(613,368)	(693,228)	(775,153)
	<hr/>	<hr/>	<hr/>
Closing Balance	468,385	518,516	638,684
	<hr/>	<hr/>	<hr/>
Expenditure from this Reserve is ongoing and relates to the light vehicle replacement programme.			

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

10. RESERVES (continued)

	Actual 2004 \$	Adopted Budget 2004 \$	Actual 2003 \$
(m) Ocean Reef Boat Launching Facility Reserve			
Opening Balance	53,491	53,491	51,266
Transfer from Accumulated Surplus	2,500	2,500	2,225
Transfer to Accumulated Surplus	-	-	-
Closing Balance	55,991	55,991	53,491
Expenditure from this Reserve is required only when approved developments are identified.			
(n) Performing Arts Facility Reserve			
Opening Balance	3,135,459	3,135,459	2,044,774
Transfer from Accumulated Surplus	1,953,512	825,806	1,090,685
Transfer to Accumulated Surplus	(3,400,000)	(3,400,000)	-
Closing Balance	1,688,971	561,265	3,135,459
Expenditure from this Reserve is required only when this project is undertaken.			
(o) Plant Replacement Reserve			
Opening Balance	708,378	708,378	563,086
Transfer from Accumulated Surplus	423,149	339,000	328,382
Transfer to Accumulated Surplus	(139,945)	(423,020)	(183,090)
Closing Balance	991,582	624,358	708,378
Expenditure from this Reserve is ongoing and relates to the plant replacement programme			
(p) Rate Revaluation Reserve			
Opening Balance	-	-	-
Transfer From Accumulated Surplus	65,000	65,000	-
Transfer to Accumulated Surplus	-	-	-
Closing Balance	65,000	65,000	-
Expenditure from this Reserve only when approved.			

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

10. RESERVES (continued)

	Actual 2004 \$	Adopted Budget 2004 \$	Actual 2003 \$
(q) Section 20A Land Reserve			
Opening Balance	30,292	30,292	28,962
Transfer from Accumulated Surplus	1,500	1,500	1,330
Transfer to Accumulated Surplus	-	-	-
	<hr/>	<hr/>	<hr/>
Closing Balance	31,792	31,792	30,292
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Expenditure from this reserve is required only when approved developments are identified.			
(r) Specified Area Rating – Harbour Rise Reserve			
Opening Balance	28,336	28,336	-
Transfer from Accumulated Surplus	57,833	-	28,336
Transfer to Accumulated Surplus	(28,336)	(28,336)	-
	<hr/>	<hr/>	<hr/>
Closing Balance	57,833	-	28,336
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Funds to be transferred to operating revenue on 1st July 2004.			
(s) Specified Area Rating - Iluka Reserve			
Opening Balance	5,330	5,330	-
Transfer from Accumulated Surplus	141,400	-	5,330
Transfer to Accumulated Surplus	(15,152)	(5,330)	-
	<hr/>	<hr/>	<hr/>
Closing Balance	131,578	-	5,330
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Funds to be transferred to operating revenue on 1st July 2004.			
(t) Town Planning Scheme No 10 (Revoked)			
Opening Balance	773,967	773,967	986,539
Transfer from Accumulated Surplus	26,000	26,000	43,345
Transfer to Accumulated Surplus	(239,109)	(506,306)	(255,917)
	<hr/>	<hr/>	<hr/>
Closing Balance	560,858	293,661	773,967
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Expenditure from this reserve is required only when approved developments are identified.			

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

10. RESERVES (continued)

	Actual 2004 \$	Adopted Budget 2004 \$	Actual 2003 \$
(u) Wanneroo Bicentennial Trust Reserve			
Opening Balance	12,500	12,500	26,713
Transfer from Accumulated Surplus		-	-
Transfer to Accumulated Surplus	-	(12,500)	(14,213)
	<hr/>	<hr/>	<hr/>
Closing Balance	12,500	-	12,500
	<hr/>	<hr/>	<hr/>
Expenditure from this Reserve is only when required.			
Grand Total of Reserves			
Opening Balance	17,435,555	17,435,555	16,345,577
Transfer from Accumulated Surplus	15,961,264	16,346,236	2,906,157
Transfer to Accumulated Surplus	(10,365,030)	(13,758,633)	(1,816,179)
	<hr/>	<hr/>	<hr/>
Closing Balance	23,031,789	20,023,158	17,435,555
	<hr/>	<hr/>	<hr/>

11. SUPERANNUATION

The City of Joondalup makes superannuation contributions in respect of its employees to the Western Australian Local Government Superannuation Plan (WALGSP) established in respect of all Local Governments in the WA. Contributions made include Superannuation Guarantee Levy of 9% and employer contributions as per Council policy.

The financial statements of the WALGSP for the year ended 30 June 2003 were not qualified by its auditors. The assets of the WALGSP were sufficient to meet its liabilities at that date. The City of Joondalup does not have any liability for outstanding superannuation benefits associated with the WALGSP.

The amount of superannuation contributions paid by the City of Joondalup during the reporting period:- Actual \$3,062,468 Budget \$2,913,859 (Actual 2002/2003 \$2,883,469 Budget 2002/2003 \$2,868,627).

12. TRUST FUNDS

	Opening Balance 1/7/2003 \$	Receipts \$	Payments \$	Closing Balance 30/6/2004 \$
Funds over which the Local Government has no control and which are not included in the financial statements are as follows:-				
Unclaimed Monies	29,511	-	32	29,479
Unclaimed Wages	1,485	-	-	1,485
	<hr/>	<hr/>	<hr/>	<hr/>
	30,996	-	32	30,964
	<hr/>	<hr/>	<hr/>	<hr/>

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

13. TOWN PLANNING AND LAND DEVELOPMENT SCHEME - MINDARIE

In June 1978 Lot 17 Marmion Avenue, Mindarie, a 432 hectare property situated approximately 2 kilometres north of Burns Beach and 30 kilometres north of the Perth City Centre was purchased jointly by the former City of Wanneroo, the former City of Perth and the City of Stirling as tenants in common in equal shares to provide for a future sanitary disposal site.

Subsequently, the Mindarie Regional Council was established by the three Councils and in 1990 leased approximately 251 hectares for this purpose. The lease provides for an initial term of 21 years, with an option for renewal for a further 21 years.

On 1 July 1998 the former City of Wanneroo's one third share was split equally between the City of Joondalup and the City of Wanneroo, in accordance with the Joondalup and Wanneroo Order 1998, the assets and liabilities were allocated by determination of the Joint Commissioners.

It is envisaged that the southern portion of Lot 17 encompassing the leased area will eventually be used for regional open space/recreational purposes. The north and western portions have been identified as future urban development with the potential for subdivision and resale.

14. RECONCILIATION OF CASH

For the purposes of the statement of cash flows, the City of Joondalup considers cash to include cash on hand and cash held in banks and investments. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:-

	Actual 2004 \$	Actual 2003 \$
Cash Assets		
Cash Advances	6,034	9,780
Investments	36,143,108	33,248,899
Cash at Bank	522,603	-
	36,671,745	33,258,679
Interest Bearing Liabilities		
Bank Overdraft	-	(1,439,570)
	36,671,745	31,819,109

Cash and investments is restricted by regulations or other externally imposed requirements \$23,141,218 (refer Note 5) and the net balance of \$13,530,527 is required to fund unpaid creditors, provisions and to fund carried forward works as at the end of year.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

15. GAIN (LOSS) ON DISPOSAL OF ASSETS BY CLASS

	Actual Net Book Value	Budget Net Book Value	Actual Sale Price	Budget Sale Price	Actual Gain (Loss) on Disposal	Budget Gain (Loss) on Disposal
	\$	\$	\$	\$	\$	\$
Furniture and Office Equipment	7,780	-	880	-	(6,900)	-
Computer Equipment	2,189	-	-	-	(2,189)	-
Mobile Plant	53,021	107,947	70,353	112,800	17,332	4,853
Other Equipment	349	-	1,327	-	978	-
Vehicles	753,432	777,670	671,020	580,209	(82,412)	(197,461)
Gain (Loss) on Disposal of Assets	816,771	885,617	743,580	693,009	(73,191)	(192,608)

**16. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO
OPERATING SURPLUS FOR THE YEAR ENDED 30 JUNE 2004**

	Actual 2004 \$	Actual 2003 \$
Change in Net Assets Resulting from Operations	5,009,702	3,826,376
<u>Add Back</u>		
Depreciation	14,494,379	14,379,381
Decrease in Receivables	44,928	327,352
Increase in Payables	966,793	223,480
Increase in Accrued Expenses	117,400	-
Decrease in Deferred Debtors	-	159,310
Decrease in Stock in Hand	1,180	5,603
Decrease in Accrued Income	-	475,069
Decrease in Prepayments	109,271	17,082
Increase in Provisions	274,024	534,744
Decrease in Accrued GST	-	-
Loss on Sale of Assets (net)	73,191	233,875
	16,081,166	16,355,896
Sub Total	21,090,868	20,182,272
<u>Deduct</u>		
Contribution of Assets	4,362,197	6,374,975
Increase in Prepayments	-	-
Increase in Doubtful Debts	5,566	-
Increase in Stock	-	-
Increase in Accrued Income	289,932	-
Decrease in Bond Payables	438,698	-
Decrease in Accrued Expenses	-	112,345
Increase in Accrued GST	62,256	9,964
	5,158,649	6,497,284
Net Cash Provided By Operating Activities	15,932,219	13,684,988

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

17. CREDIT STANDBY FACILITIES

	Actual 2004 \$	Actual 2003 \$
Bank Offset Limit	500,000	500,000
Bank Overdraft at Reporting Date	-	(1,439,570)
	<hr/>	<hr/>
Total Amount Unused/(Exceeding Offset Limit)	500,000	(939,570)
	<hr/>	<hr/>

Note: The City did not utilise the bank overdraft facility at 30th June 2004. The Bank Overdraft at reporting date reflects the position as shown in the City's books of account. As part of Council's investment strategy the actual bank balance is monitored daily and is seldom permitted to go into overdraft.

18. COMMITMENTS FOR MAJOR EXPENDITURE

	Actual 2004 \$	Actual 2003 \$
At the reporting date, the City had entered into contracts for the following major expenditure:		
Buildings Works	105,207	44,700
Engineering Works	18,200	298,078
Parks Works	715,374	136,962
	<hr/>	<hr/>
	838,781	479,740
	<hr/>	<hr/>

These expenditures are due for payment:

Not later than One Year	838,781	479,740
	<hr/>	<hr/>
	838,781	479,740
	<hr/>	<hr/>

It is anticipated that all committed works at the end of the year will be completed in the next financial year.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

19. OTHER EXPENSES

	Actual 2004 \$	Adopted Budget 2004 \$	Actual 2003 \$
(a) Elected Members Expenses			
Members Costs are paid monthly in arrears:			
Elected Members Allowances/Remuneration	69,521	156,000	193,347
Elected Members Conferences/Training	27,523	80,000	32,694
Elected Members Presentation Items	485	-	3,155
Elected Members Travel, Child Care and	31,128	37,500	30,330
Other Specified Expenses			
	<u>128,657</u>	<u>273,500</u>	<u>259,526</u>
Elected Members Allowances/Remuneration comprise – Mayoral and Deputy Mayoral Allowances Members Meeting Fees and Telecommunications Allowance. Paid up to 4 December 2003			
(b) Commissioners Expenses			
Commissioners Costs are paid monthly in arrears:			
Commissioners Allowances/Remuneration	124,520	-	-
Commissioners Conferences/Training	-	-	-
Commissioners Presentation Items	-	-	-
Commissioners Travel, Child Care and	13,035	-	-
Other Specified Expenses			
	<u>137,555</u>	<u>-</u>	<u>-</u>
Commissioners Allowances comprise – Chairman and Deputy Chairman Allowances Commissioners Allowances. Fees paid were approved by the Minister for Local Government and Regional Development Paid from 5 December 2003.			
(c) Auditors Expenses			
Audit Fee	31,000	33,000	31,000
Other Audit Fees	78,071	-	-
	<u>109,071</u>	<u>33,000</u>	<u>31,000</u>

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

20. GENERAL PURPOSE FUNDING

	Actual 2004	Adopted Budget 2004	Actual 2003
	\$	\$	\$
Rates General	42,560,469	42,498,866	40,309,312
Fees and Charges on Rates	582,637	484,840	517,118
Grants Commision - GP Grants	3,921,990	3,895,564	3,814,787
Interest on Deferred Pensioner Rates	46,435	50,000	57,298
Interest on Investments	2,390,622	2,230,600	2,053,424
Other Miscellaneous Reimbursements	510,272	-	-
Surplus Distribution MRC	-	280,000	-
	50,012,425	49,439,870	46,751,939

21. MAJOR LAND TRANSACTIONS

During the 2003/2004 financial year the City did not purchase or dispose of any land.

22. PRESCRIBED SERVICES - SPECIFIED AREA RATE – ILUKA

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2003/2004 financial year, a specified area rate for the suburb of Iluka.

During the 2003/2004 financial year the income and expenditure was as follows;

Income available from the Specified Area Rate	\$157,823
Expenditure for the area of Iluka	<u>\$26,245</u>
Surplus Transferred to Reserves at 30 June 2004	\$ <u>131,578</u>

23. PRESCRIBED SERVICES - SPECIFIED AREA RATE – WOODVALE WATERS

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2003/2004 financial year, a specified area rate for the area of Woodvale Waters.

During the 2003/2004 financial year the income and expenditure was as follows;

Income available from the Specified Area Rate	\$21,096
Expenditure for the area of Woodvale Waters	<u>\$21,096</u>
Net Surplus/Deficit	<u>Nil</u>

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

24. PRESCRIBED SERVICES – SPECIFIED AREA RATE – HARBOUR RISE

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2003/2004 financial year, a specified area rate for the area of Harbour Rise Hillarys.

During the 2003/2004 financial year the income and expenditure was as follows;

Income available from the Specified Area Rate	\$87,706
Expenditure for Area of Harbour Rise Hillarys	<u>\$29,873</u>
Surplus Transferred to Reserves at 30 June 2004	<u>\$57,833</u>

25. VARIANCES - OPERATING REVENUE AND EXPENSES (BY PROGRAMME) FOR THE YEAR ENDING 2004

Operating Revenue Variance – Actual 2004 to Adopted Budget 2004

General Purpose Funding

The favourable variance was due to additional income received in respect of : -

- Reimbursements: \$230k - Surplus funds relating to adjustments to employee leave provisions.
- The write back of past deposits received and not refundable.
- Savings on projects were brought to account during the year.
- Interest on Municipal Fund: \$160k – due primarily to the timing of capital expenditure relating to the Works Depot and Craigie Leisure Centre, unspent funds were invested and additional interest was received.

Law, Order & Public Safety

The unfavourable variance was due to: -

- Emergency Services: \$41k – Emergency services building works did not eventuate and as a consequence associated grant income was not received.
- Beach Lifesaving revenue: \$24k - Grants less than expected.

Health

The favourable variance was due to unbudgeted grants received for the meningococcal C vaccination program.

Education and Welfare

The favourable variance was due to additional funds received for youth programs and financial counselling.

Community Amenities

The favourable variance was primarily due to additional contributions from developers in lieu of public open space.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

25. VARIANCES - OPERATING REVENUE AND EXPENSES (BY PROGRAMME) FOR THE YEAR ENDING 2004 (continued)

Recreation & Culture

The favourable variance was due to: -

- Unbudgeted donations received relating to Kingsley Memorial: \$130k
- Additional grants received relating to libraries and cultural events: \$72k
- Additional parks contributed by developers (donated assets): \$296k
- These variances were partially offset by a shortfall in fees & charges at the leisure centres.

Transport

The unfavourable variance was due to:-

- Normalisation Agreement funds not received this year but delayed: \$3.34m.
- Contributions from developers (donated assets): \$430k. Less road infrastructure received than expected.

Economic Services

The unfavourable variance was due to:-

- Interim rate revenue: \$200k – increases in the value of additions and property valuations during the year were less than anticipated with less interim rates received.
- Building License fees: \$183k – Lower income due to the value of works associated with building licences being lower than anticipated.

Other Property Services

The unfavourable variance was due to a lower activity associated with private contract works and maintenance.

Operating Expenses Variance – Actual 2004 to Adopted Budget 2004

A primary cause of variances between the Actual 2004 and Adopted Budget 2004 program expenditures were due to a reallocation of corporate overheads across various business activities after the budget was adopted.

The budgeted expenditure in each program includes an allocation of corporate overhead costs. While the total corporate overhead cost as budgeted remained unchanged, the percentage allocations within each program were revised during the year to more accurately reflect the use of corporate resources. The main outcome was that a large proportion of these costs were redistributed from the Community Amenities and Transport programs into the Governance and General Purpose Funding areas.

General Purpose Funding

The unfavourable variance was due to the revised allocation of corporate overhead charges.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

25. VARIANCES - OPERATING REVENUE AND EXPENSES (BY PROGRAMME) FOR THE YEAR ENDING 2004 (continued)

Governance

The unfavourable variance was due to the revised allocation of corporate overhead charges.

Law, Order & Public Safety

The favourable variance was due to: -

- The revised allocation of corporate overhead charges: \$590k
- Beach Lifesaving and Safer Community initiatives: \$150k.
- Contributions towards Whitfords Sea Rescue boat replacement delayed and have been carried forward to 2004/05.
- Neighbourhood Watch program was deferred.

Health

The favourable variance was primarily due to: -

- The revised allocation of corporate overhead charges: \$148k.
- Environmental initiatives and labour costs: \$88k.

Education & Welfare

The favourable variance was due to: -

- The revised allocation of corporate overhead charges: \$50k.
- Savings in Youth Project and Community Education programs: \$107k.
- Funds relating to the Student Scholarship program and other community education initiatives were reallocated to Library Services during the year, contributing to an increase in Library Service costs.

Community Amenities

The favourable variance was due to: -

- The revised allocation of corporate overhead charges: \$1.2m.
- Savings in Waste Management costs: \$277k.

Recreation & Culture

The unfavourable variance was due to: -

- A review of Library services carried out during the year. As a result, operations were restructured to better serve the community and provide a strategic framework for future planning. The overspend was primarily due to staff redundancy costs and an increase in costs as a result of the transfer of the Community Education initiative.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

25. VARIANCES - OPERATING REVENUE AND EXPENSES (BY PROGRAMME) FOR THE YEAR ENDING 2004 (continued)

Transport

The favourable variance was due primarily to: -

- The revised allocation of corporate overhead charges: \$916k.
- Materials cost underspend in the Engineering Maintenance works area: \$284k - Materials costs in relation to roads and drainage maintenance were lower than expected.

Economic Services

The unfavourable variance was due to the revised allocation of corporate overhead charges.

Other Property & Services

The favourable variance was due primarily to the revised allocation of corporate overhead charges.

26. VARIANCES - CASHFLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2004

Cash Flows from Operating Activities

Receipts Variance – Actual 2004 to Adopted Budget 2004

Rates

The favourable variance was due to a reduction in outstanding debts at 30th June 2004 and a better than expected rate collection rate.

Rates – Specified Area Rate

The unfavourable variance was due to lower than expected collection rate.

Government Grants & Subsidies

The unfavourable variance was due to a decrease in non-operating grants received.

Contributions, Reimbursements & Donations

The unfavourable variance was due to delays in receiving funds associated with the Joondalup Normalisation Agreement.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

**26. VARIANCES - CASHFLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2004
(continued)**

Fees & Charges

The unfavourable variance was due primarily to shortfalls in: -

- Income from Fees & Charges at the leisure centres - Service fees were below budget due to hire groups making alternative arrangements due to the upcoming redevelopment.
- Building License fee income – Lower income due to the value of works associated with building licences being lower than anticipated.
- Household Refuse charge income – The number of new properties did not match budget expectations.
- A lower than expected collection rate of fees & charges debtors.

Interest Earnings

The favourable variance was due to better than expected interest received as more funds were available for investment due to the delay in commencing with the Craigie Leisure Centre redevelopment and the Joondalup Works Depot construction.

Revenue from Other Councils

The favourable variance was due to additional income being received.

Payments Variance – Actual 2004 to Adopted Budget 2004

Employee Costs

The unfavourable variance was due primarily to the payment associated with the departure of the former CEO, this was funded from the Domestic Cart – Refuse Collection Reserve as approved by Council.

Materials & Contracts

The favourable variance was due to savings in consultancy, contribution and waste management costs and delays in expenditures resulting in higher than expected creditors balances at the end of the financial year .

Utilities

The favourable variance was due to savings in utility costs.

Insurance Expenses

The favourable variance was due to insurance excesses relating to property damage / theft being less than expected.

Other Expenses

The unfavourable variance was due to FESA funding for Emergency Services paid through the City being more than expected.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

26. VARIANCES - CASHFLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2004
(continued)

Cash Flows from Investing Activities

Receipts Variance – Actual 2004 to Adopted Budget 2004

Proceeds from Sale of Assets

The favourable variance was due to trade in prices of replacement vehicles being better than expected.

Payments Variance – Actual 2004 to Adopted Budget 2004

Purchase of Land

The favourable variance was due to the delay in purchasing the works depot land.

Purchase of Furniture & Equipment

The favourable variance was due to delays in purchasing equipment for the Computer Network Upgrade.

Purchases of Vehicles & Plant

The favourable variance was due to some Mobile Plant and Motor Vehicle Plant purchases deferred until 2004/05.

Construction of Infrastructure Assets

The favourable variance was due to delays in Capital Works \$3.6m and Corporate Projects including:

- Joondalup Works Depot: \$3.9m,
- Joondalup Cultural Facility: \$1.1m,
- Sorrento Beach Development: \$1.3m.

27. FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the accounts.

(b) Interest Rate Risk

The following table details the City's exposure to interest rate risks as at the reporting date.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

			Fixed Interest Rate Maturity				
	Average Interest Rate %	Variable Interest Rate \$	Less than 1 Year \$	1 to 5 Years \$	More than 5 Years \$	Non-Interest Bearing \$	Total \$
2003/2004							
Financial Assets							
Cash						528,637	528,637
Receivables						2,455,803	2,455,803
Investments	5.52		36,143,108			-	36,143,108
Total			36,143,108			2,984,440	39,127,548
Financial Liabilities							
Trade payables						5,424,446	5,424,446
Bank overdraft	7.65					-	-
Employee entitlements						5,280,323	5,280,323
Total						10,704,769	10,704,769

			Fixed Interest Rate Maturity				
	Average Interest Rate %	Variable Interest Rate \$	Less than 1 Year \$	1 to 5 Years \$	More than 5 Years \$	Non-Interest Bearing \$	Total \$
2002/2003							
Financial Assets							
Cash						9,780	9,780
Receivables						2,269,207	2,269,207
Investments	4.85		33,248,899			-	33,248,899
Total Assets			33,248,899			2,278,987	35,527,886
Financial Liabilities							
Trade payables						4,804,576	4,804,576
Bank overdraft	7.65	1,439,570				-	1,439,570
Employee entitlements						5,006,301	5,006,301
Total Liabilities		1,439,570				9,810,877	11,250,447

(c) **Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the council. The council has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Council measures credit risk on a fair value basis.

The council does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

(d) **Net Fair Value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the accounts.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

28. JOONDALUP NORMALISATION AGREEMENT

During 2004, the City of Joondalup and the Western Australia Land Authority (LandCorp) entered into a Memorandum of Agreement to complete the normalisation of the City of Joondalup. The Memorandum of Agreement (MOA) recognises the historical evolution and contemporary position of Joondalup in terms of the Western Australia Land Authority Act 1992 (as amended) and the "Joondalup Centre Plan – Completion 2001 Modification". The process of "normalisation" is a transitional process through which the strategic regional centre would become operationally and peceptionally transformed from a development project to an established centre.

The MOA requires LandCorp to make a contribution of \$5.24m to the City of Joondalup for works previously completed by the City and to be carried out by the City in the future.

The terms of settlement are not specified in the agreement however the City received \$1.9m in June 2004 and brought this revenue to account in 2003/04. The City expects to receive land to the value of \$2.8m during 2004/05 as further settlement and this will be recognised as revenue during 2004/05. The final payment of \$540,000 is conditional on LandCorp receiving vacant possession of land currently leased by LandCorp to the City which is due to expire in December 2007.

ADDITIONAL DISCLOSURES FOR LOCAL GOVERNMENT

PERFORMANCE MEASUREMENTS

	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
a) Current Ratio	1.86:1	1.73:1	1.76:1	1.69:1	1.60:1
b) Debt Ratio	0.02:1	0.02:1	0.02:1	0.02:1	0.02:1
c) Debt Service Ratio	0.00:1	0.00:1	0.00:1	0.00:1	0.00:1
d) Rate Coverage Ratio	0.58:1	0.56:1	0.61:1	0.57:1	0.58:1
e) Outstanding Rates	0.08:1	0.06:1	0.05:1	0.04:1	0.03:1

Formulae for calculation of ratios:

(a) Current Ratio

$$\frac{\text{Current Assets minus Restricted Assets}}{\text{Current Liabilities minus Liabilities Associated with Restricted Assets}}$$

(b) Debt Ratio

$$\frac{\text{Total Liabilities}}{\text{Total Assets}}$$

(c) Debt Service Ratio

$$\frac{\text{Debt Service Costs}}{\text{Available Operating Revenue}}$$

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2004

(d) **Rate Coverage Ratio**

Net Rate Revenue
Operating Revenue

(e) **Outstanding Rates**

Rates Outstanding
Rates Collectable