

2005/06 Operating Statement by Programme

	<i>Budget 2004/05 \$</i>	<i>Actual (estimated) 2004/05 \$</i>	<i>Budget 2005/06 \$</i>
Revenues			
General Purpose Funding	55,723,451	53,613,059	58,463,514
Governance	0	9,527	0
Law, Order and Public Safety	554,372	481,298	621,443
Health	263,010	353,203	234,853
Education and Welfare	273,529	294,744	406,247
Community Amenities	8,015,928	8,287,505	9,810,877
Recreation and Culture	2,993,086	2,849,256	5,127,080
Transport	7,924,550	4,759,357	8,397,103
Economic Services	1,183,221	1,095,303	1,188,962
Other Property and Services	375,999	397,048	390,094
Total Operating Revenue	<u>77,307,146</u>	<u>72,140,300</u>	<u>84,640,173</u>
Expenses			
General Purpose Funding	1,148,628	719,847	1,158,584
Governance	8,022,118	7,013,050	8,019,032
Law, Order and Public Safety	3,338,611	2,982,936	3,150,790
Health	1,467,220	1,418,736	1,402,946
Education and Welfare	1,556,110	1,417,744	1,545,247
Community Amenities	9,621,952	9,548,029	11,022,121
Recreation and Culture	23,390,425	21,407,546	23,854,733
Transport	17,576,900	15,855,766	17,567,983
Economic Services	1,393,579	1,279,136	1,346,152
Other Property and Services	5,018,426	7,865,072	7,499,294
Total Operating Expenses	<u>72,533,969</u>	<u>69,507,862</u>	<u>76,566,882</u>
Change in Net Assets Before Reserve Transfers	4,773,177	2,632,438	8,073,291
Transfers From Reserves	25,118,606	8,828,266	20,764,314
Transfers (To) Reserves	(13,374,381)	(7,857,230)	(12,075,873)
Net Transfers From/(To) Reserves	11,744,225	971,036	8,688,441
Change in Net Assets Resulting from Operations	<u>16,517,402</u>	<u>3,603,474</u>	<u>16,761,732</u>

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2005/06 STATEMENT OF CASH FLOWS

	2004/05		2005/06
	Budget	Actual (estimated)	Budget
	\$	\$	\$
Cash Flows from Operating Activities			
Receipts			
Rates			
Rates - Specified Area	46,371,207	46,449,763	48,366,912
Government Grants & Subsidies (Operating)	76,638	98,510	122,672
Contributions, Reimbursements & Donations	2,935,714	4,819,074	4,650,782
Fees & Charges	4,839,070	2,413,008	4,725,736
Interest Earnings	12,185,741	12,875,168	16,257,230
Revenue from Other Councils	2,414,000	2,822,491	2,248,000
	106,000	159,438	126,000
	68,928,370	69,637,451	76,497,332
Payments			
Employee Costs	27,992,748	26,150,861	30,474,382
Materials & Contracts	24,051,398	22,707,717	25,669,345
Utilities (Gas, Electricity, Water etc)	2,995,576	2,808,513	3,164,388
Interest Expenses	93,000	-	218,444
Insurance Expenses	922,540	909,534	939,272
Other Expenses	44,000	34,517	44,000
	56,099,262	52,611,142	60,509,831
Net Cash Provided by Operating Activities	12,829,108	17,026,309	15,987,501
Cash Flows from Investing Activities			
Receipts			
Government Grants & Subsidies (Non Operating)	4,236,462	2,651,306	4,435,283
Proceeds from Asset Sales	1,354,200	626,534	1,265,000
	5,590,662	3,277,840	5,700,283
Payments			
Purchase of Land	3,390,000	-	3,318,612
Purchase of Buildings	-	-	-
Purchase of Furniture & Equipment	839,687	826,755	1,643,778
Purchase of Vehicles & Plant	3,811,000	1,324,541	3,688,100
Purchase of Artworks	50,000	47,432	20,000
Construction of Infrastructure Assets	29,915,922	17,680,962	29,724,145
	38,006,609	19,879,690	38,394,635
Net Cash (Used In) or From Investing Activities	(32,415,947)	(16,601,850)	(32,694,352)
Cash Flows from Financing Activities			
Proceeds from Borrowings	3,000,000	3,155,717	900,000
Repayment of borrowings	(75,000)	-	(228,493)
Net Cash (Used In) or From Financing Activities	2,925,000	3,155,717	671,507
Net Increase/(Decrease) in Cash Held	(16,661,839)	3,580,176	(16,035,344)
Cash at the Beginning of the Financial Period	36,671,566	36,671,566	40,251,742
Cash at the End of the Financial Period	20,009,727	40,251,742	24,216,398

2005/06 RATE SETTING STATEMENT

	2004/05 Budget	2005/06 Budget
	\$	\$
OPERATING REVENUE		
General Purpose Funding (excl Rates)		
Governance	9,923,185	9,969,146
Law, Order and Public Safety	-	-
Health	554,372	621,443
Education and Welfare	263,010	234,853
Community Amenities	273,529	406,247
Recreation and Culture	8,015,928	9,810,877
Transport	2,993,086	5,127,080
Economic Services	7,924,550	8,397,103
Other Property and Services	1,183,221	1,188,962
	375,999	390,094
	31,506,880	36,145,805
OPERATING EXPENDITURE		
General Purpose Funding		
Governance	1,148,628	1,158,584
Law, Order and Public Safety	8,022,118	8,019,032
Health	3,338,611	3,150,790
Education and Welfare	1,467,220	1,402,946
Community Amenities	1,556,110	1,545,247
Recreation and Culture	9,621,952	11,022,121
Transport	23,390,425	23,854,733
Economic Services	17,576,900	17,567,983
Other Property and Services	1,393,579	1,346,152
	5,018,426	7,499,294
	72,533,969	76,566,882
CAPITAL WORKS		
General Purpose Funding		
Law, Order and Public Safety	-	-
Health	145,149	271,186
Education and Welfare	1,106	16,669
Community Amenities	53,146	4,010,833
Recreation and Culture	1,791,064	2,636,298
Transport	18,529,130	10,620,934
Economic Services	19,289,819	22,582,356
Other Property and Services	2,211	7,338
	1,944,984	1,999,022
	41,756,609	42,144,636
Adjustments for Non Cash Movements		
Transfers from Reserves	25,118,606	20,764,314
Transfers to Reserves	(13,374,381)	(12,075,873)
Depreciation on Assets	14,868,476	15,030,810
Loss on Disposal	313,779	260,485
Profit on Disposal	(68,123)	(74,596)
Adjustments for Other Cash Movements		
Proceeds from Disposal	1,354,200	1,265,000
Loan funds	3,000,000	900,000
Loan repayments (principal)	(75,000)	(228,493)
Adjustments for Carry Forwards		
Surplus Carried Forward from 2004/05	368,999	1,935,055
Carried Forward Works from 2004/05	5,476,876	6,294,643
AMOUNT REQUIRED FROM RATES	(45,800,266)	(48,494,368)

2005/06 STATEMENT OF RATING INFORMATION

	GENERAL RATES			
	Rateable Value	No of Properties	Rate in \$	Rate Yield
General Rate - Gross Rental Value (GRV)	\$		c	\$
Residential Not Improved	16,970,846	1,091	6.9420	1,178,115
Residential Improved	509,585,279	48,615	6.9420	35,375,420
Commercial Improved	115,151,577	807	6.9420	7,993,822
Commercial Not Improved	512,200	27	6.9420	35,557
Industrial	10,934,941	364	6.9420	759,104
TOTAL GRV	653,154,843	50,904		45,342,018
General Rate - Unimproved Value (UV)				
Residential	55,320,011	10	0.5426	300,166
Rural	466,000	2	0.5426	2,529
Total UV	55,786,011	12		302,695
TOTAL RATES LEVIED				
Interim Rates				
Discount Allowed				
NET RATES LEVIED	708,940,854	50,916		45,644,713
Interest on Outstanding Rates				
Instalment Administration Charge				
TOTAL RATES & CHARGES	708,940,854	50,916		45,644,713

MINIMUM PAYMENTS				TOTAL
Rateable Value	No of Properties	Minimum Payment	Rate Yield	
\$		\$	\$	\$
1,301,675	234	505	118,170	1,296,285
42,873,521	6,438	505	3,251,190	38,626,610
977,872	152	505	76,760	8,070,582
7,250	1	505	505	36,062
37,529	6	505	3,030	762,134
45,197,847	6,831		3,449,655	48,791,673
				300,166
				2,529
0	0		0	302,695
				49,094,368
				200,000
				(800,000)
45,197,847	6,831		3,449,655	48,494,368
				305,758
				350,621
45,197,847	6,831		3,449,655	49,150,747

SPECIFIED AREA RATES	Rateable Value (Gross Rental Value)	No of Properties	Rate in \$	Rate Yield
	\$		c	\$
Specified Area Harbour Rise, Hillarys	8,432,050	425	0.549320	46,319
Specified Area Iluka	18,507,958	1,371	0.262984	48,673
Specified Area Woodvale Waters	1,787,932	137	1.208100	21,600

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1 2004/05 Actual Comparatives

The 2004/05 actual comparatives as shown are estimates made as at 14 July 2005. The actual results will not be confirmed until the City has had its financial statements audited for the year ending 30 June 2005.

2 Significant Accounting Policies

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

Basis of Accounting

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

3 The Local Government Reporting Entity

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

a) Depreciation**Property, Plant and Equipment (Excluding Infrastructure Assets)**

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

Depreciation Rates:

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

Infrastructure Assets

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

Infrastructure assets capitalised are depreciated over their estimated useful lives on a straight-line basis from the date of acquisition or, in respect of constructed assets, at the end of the financial year. Depreciation has been charged to the operating statement.

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

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

Depreciation Rates:**Reserves**

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

Engineering

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

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

b) Rates

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

c) Grants, Donations and Other Contributions

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

d) Investments

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

e) Employee Entitlements

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

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

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

f) Superannuation Fund

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

g) Land Held for Resale

Land purchased for development and/or resale is valued at cost. Cost includes the cost of acquisition, development and interest incurred on financing of the land during its development. Interest and other holding charges incurred after development is complete are recognised immediately as expenses. Revenue arising from the sale of property (if applicable) is recognised in the operating statement at the time of signing a binding contract of sale.

h) Works in Progress

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

i) Crown Land

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

j) Accounts Payable

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

k) Receivables

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

l) Goods and Services Tax

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

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

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

m) Acquisition of Assets

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

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

n) Inventories

Inventories are valued at cost.

o) Revaluation of Non Current Assets

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

p) Rounding off

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

4 Functions/Activities

a) **Statement of major program objectives**

In order to discharge its responsibilities to the community, the City of Joondalup has developed a set of guiding principles and key result areas. Our decisions will be guided by a number of underlying principles. These principles have been developed to guide the City's decision making.

Community Focus

- We will work in partnership with our community to build capacity, and develop community ownership and identity.
- We will respect community diversity, and work to develop equity and understanding within our community.
- We will be proactive in the area of community education.

Sustainability

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

Best Value

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

Leadership through Partnerships and Networks

- We will develop partnerships and networks throughout the community.
- We will develop a supportive and trusting relationship with our community.

Flexibility in Service Delivery

- We will be flexible in our planning to accommodate changing circumstances and needs of our community.
- We will be flexible in our delivery of a range of services and programs.

People Management

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

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

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

b) Programme Activities

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

General Purpose Funding

Rates income and expenditure, Grants Commission and pensioner deferred rates interest.

Governance

Governance relates to elected members costs only. All other governance related activities in areas such as Council Support, Administration, Finance and Information Management have been allocated down to the programmes that these costs support.

Law, Order and Public Safety

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

Health

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

Education and Welfare

Provision, management and support services for families, children and the aged and disabled within the community, including pre-school playgroups, day and after school care, assistance to schools and senior citizens support groups. Provision of aged persons units and resident funded units.

Housing

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

Community Amenities

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

Recreation & Culture

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

Transport

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

Economic Services

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

Other Property & Services

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

5 Operating Revenues and Expenses Classified According to Nature

	Budget 2004/05 \$	Actual 2004/05 \$	Budget 2005/06 \$
<u>Revenues</u>			
Rates	45,800,266	45,848,540	48,494,368
Rates-Specified Area	83,071	85,409	116,592
Government Grants & Subsidies	7,235,995	7,317,930	9,024,744
Contributions, Reimbursements and Donations	8,589,070	2,413,008	8,475,736
Profit on Asset Disposal	68,123	167,839	74,596
Fees & Charges	13,010,621	13,169,620	16,080,136
Interest Earnings	2,414,000	2,978,516	2,248,000
Revenue from Other Councils	106,000	159,438	126,000
Total Operating Revenues	77,307,146	72,140,300	84,640,172
<u>Expenses</u>			
Employee Costs	28,230,363	27,240,355	30,632,012
Materials & Contracts	25,159,235	23,479,539	26,494,914
Utilities	2,995,576	2,815,963	3,164,388
Depreciation on Non Current Assets	14,868,476	14,891,643	15,030,810
Loss on Disposal	313,779	136,311	260,485
Insurance Expenses	922,540	909,534	939,272
Other Expenses	44,000	34,517	45,000
Total Operating Expenses	72,533,969	69,507,862	76,566,881
Change in Net Assets Resulting from Operations Before Reserve Transfers	4,773,177	2,632,438	8,073,291

6 Rating and Valuations

a) Gross Rental Values	2004/05 Budget \$	2004/05 Actual \$	2005/06 Budget \$
Residential Improved	521,228,544	521,228,544	552,458,800
Residential Not Improved	12,536,983	12,536,983	18,272,521
Commercial Improved	108,936,135	108,936,135	116,129,449
Commercial Not Improved	467,250	467,250	519,450
Industrial	8,606,732	8,606,732	10,972,470
Total	651,775,644	651,775,644	698,352,690

b) Unimproved Values	2004/05 Budget \$	2004/05 Actual \$	2005/06 Budget \$
Residential	2,248,000	2,248,000	55,320,011
Rural	28,693,194	28,693,194	466,000
Total	30,941,194	30,941,194	55,786,011

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c) Minimum payments

A general minimum payment of \$505 (2004/05 \$482) is applied to all rateable properties.

Concessions, waivers

No concessions are provided for in this financial year.

Instalment options

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

First instalment	9 September 2005
Second instalment	11 November 2005
Third instalment	13 January 2006
Fourth instalment	17 March 2006

Instalment fees

An administration fee of \$8.00 (2004/05 \$7.00) for each of the 3 final instalments is charged. Interest of 5.5% is to be charged on instalment options. The revenue for these charges is estimated at \$350,621.

Discounts, penalties etc.

A discount of 2.5% applies on 2005/06 general rates only if full payment of all current and arrears of rates (including specified area rates), emergency services levy, domestic refuse charge, security charge and private swimming pool inspection fees (inclusive of GST) is received within 28 days of the issue date of the annual rate notice. The estimated cost of this option to the City is \$800,000.

Rates Discount and Incentive scheme.

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

- Full payment of all current and arrears of rates, (including specified area rates), emergency services levy, domestic refuse charge and private swimming pool inspection fee (inclusive of GST) and security charge within 28 days of the issue date of the annual rate notice:-
 - a 2.5% discount on **2005/06** general rates only; and
 - eligibility to enter the early payment incentive draw which includes a range of prizes sponsored by a number of organisations and thus at no cost to the City.
 - A pool of prize winners will be chosen by a computerised random selection process, the integrity of which has been authenticated by Council's auditor. The prize winners pool will be invited to attend a prize draw function during which the prizes will be allocated in a secondary draw process.

Rates Payment Options

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

- One Instalment
 - Payment in full (including all arrears) within 28 days of the issue date of the annual rate notice and be eligible for a 2.5% discount on current general rates only and eligibility to enter the rate incentive scheme for prizes (2 September 2005).
 - Payment in full within 35 days of the issue date of the annual rate notice (9 September 2005).
- Two Instalments
 - The first instalment of 50% of the total current rates (including specified area rates), emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST), instalment charge, plus the total outstanding arrears payable within 35 days of the issue date of the annual rate notice (9 September 2005).
 - The second instalment of 50% of the total of the current rates, emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST) and instalment charge, payable 63 days after due date of first instalment (11 November 2005).
- Four Instalments
 - The first instalment of 25% of the total current rates (including specified area rates), emergency services levy, domestic refuse charge, private swimming pool inspection fee (inclusive of GST), instalment charge plus the total outstanding arrears payable within 35 days of the issue date of the annual rate notice (9 September 2005).
 - The second, third and fourth instalment, each of 25% of the total current rates (including specified area rates), emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST), and instalment charge payable as follows:
 - 2nd instalment – 63 days after due date of 1st instalment (11 November 2005)
 - 3rd instalment – 63 days after due date of 2nd instalment (13 January 2006)
 - 4th instalment – 63 days after due date of 3rd instalment (17 March 2006)

Instalment Charges and calculation of Interest

The instalment options are subject to an administration fee of \$8.00 for each instalment two, three and four, together with an interest charge at 5.5% per annum, calculated on a simple interest basis on:

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

- Four Instalments
 - An administration fee of \$8.00 for each instalment two, three and four, together with an interest charge at 5.5% per annum, calculated on a simple interest basis on:
 - 75% of the total current general rate (including specified area rate), emergency services levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST) calculated 35 days from the issue date of the annual rate notice to 63 days after the due date of the first instalment;
 - 50% of the total current general rate (including specified area rate), emergency services levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST) calculated from the due date of the second instalment to the due date of the third instalment; and
 - 25% of the total current general rate (including specified area rate), emergency services levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST) calculated from the due date of the third instalment to the due date of the fourth instalment.

Special Payment Arrangements

Special monthly or fortnightly payment arrangements can be made with the City for those ratepayers who may be unable to pay in full or according to the instalment plans offered. An administration fee of \$25.00 is charged on each payment arrangement and penalty interest of 11.00% pa is applied from 10 September 2005 to the outstanding balance until the account is paid in full.

Late Payment Interest

The Council, in accordance with the provisions of Section 6.13 and Section 6.51 of the Local Government Act 1995 imposes interest on all current and arrears general rates (including specified area rate), current and arrears domestic refuse charges, current and arrears of private swimming pool inspection fees (including GST) and arrears of security charges at a rate of 11.00% per annum, calculated on a simple interest basis on arrears amounts that remain unpaid and current amounts that remain unpaid after 35 days from the issue date of the original rate notice, or the due date of the instalment and continues until the instalment is paid. Excluded are deferred rates, instalment current amounts not due under the two or four-payment option, registered pensioner portions and current government pensioner rebate amounts. Such interest is to be charged once per month on the outstanding balance on the day of calculation for the number of days.

The 2005/06 Budget provides for the amount of \$305,758 to be generated from interest charged on outstanding rates. The City made provision for expenditure of \$10,000 in relation to writing off late payment interest in cases of hardship in accordance with policy 2.4.4 - Rates Charges.

Emergency Services Levy Interest Charge

In accordance with the provisions of Section 36S of the Fire and Emergency Services Legislation (Emergency Services Levy) Amendment Act 2002, IMPOSES interest on all current and arrears amounts of emergency services levy at a rate of 11.00% per annum, calculated on a simple interest basis on amounts which remain unpaid after 35 days from the issue date of the original rate notice, or the due date of the instalment and continues until instalment is paid. Excluded are instalment current amounts not yet due under the two or

four-payment option, registered pensioner portions and current government pensioner rebate amounts. Such interest to be charged once per month on the outstanding balance on the day of calculation for the number of days.

Emergency Services Remittance Option B

The City has elected to remit the **2005/06** Emergency Services Levy to the Fire and Emergency Services Legislation under Option B. Under Option B the City of Joondalup will acquire the 2005/06 Emergency Services Levy debt (estimated at \$9.3m) when the 2005/06 rates are levied (August 2005). The City is required to remit the 2005/06 ESL to FESA in quarterly payments – September 2005 (30% of ESL levied), December 2005 (30% of ESL levied), March 2006 (30% of ESL levied) and June 2006 (10% of ESL levied). The City invests the ESL receipts as part of its municipal funds investments. The 2005/06 ESL levies receivable and the 2005/06 ESL liability to FESA will be reflected in the City's balance sheet and the cashflow impacts are included in the 2005/06 Statement of Cash Flows.

Domestic Refuse Charges

Council, BY AN ABSOLUTE MAJORITY in accordance with Part IV Division 4 of the Health Act 1911 (as amended) imposes the following domestic refuse charges for the **2005/06** financial year:

- \$155.00 per existing unit serviced (2004/05 - \$128.00); and
- Additional bin collection service \$170.50 (inclusive of GST), (2004/05 - \$140.80)
- Collection from within the property boundary \$46.20 (inclusive of GST), (2004/05 - \$44.20)
- New refuse service – cost of bin and delivery \$40.60 (inclusive of GST), (2004/05 - \$40.60)
- Optional recycling – purchase of cart \$84.70 (inclusive of GST) (2004/05 - \$84.70)
- Optional recycling cart- sort and collect recycling cart \$35.20 (inclusive of GST), (2004/05 - \$35.20).

Private Swimming Pool Inspection Fee

Council, in accordance with the provisions of Section 245A(8) of the Local Government (Miscellaneous Provisions) Act 1960 imposes for the **2005/06** financial year, a private swimming pool inspection fee of \$13.75 (inclusive of GST) on those properties owning a private swimming pool.

Specified Area Rating

Council, in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the **2005/06** financial year, a specified area rate of 0.54932 cents in the dollar (based on the gross rental value of each property) for the area of Harbour Rise for the purposes of maintaining enhanced landscaping services which will be applied during 2005/06.

Council, in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the **2005/06** financial year, a specified area rate of 0.262984 cents in the dollar (based on the gross rental value of each property) for the area of Iluka for the purposes of maintaining enhanced landscaping services which will be applied during 2005/06.

Council, in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposes for the **2005/06** financial year, a specified area rate of 1.2081 cents in the dollar (based on the gross rental value of each property) for the area of Woodvale Waters for the purposes of maintaining enhanced landscaping services which will be applied during 2005/06.

Emergency Services Levy

In accordance with the provisions of Sections 36B and 36L of the Fire and Emergency Services Legislation (Emergency Services Levy) Amendment Act 2002, IMPOSE the 2005/06 Emergency Services Levy Rates and Minimum and Maximum Payments on Residential, Vacant Land, Commercial, Industrial and Miscellaneous lots as follows:

ESL Category	ESL Rate (Cents per \$ GRV)	Minimum and maximum ESL CHARGES BY PROPERTY USE			
		Residential and Vacant Land		Commercial, Industrial and Miscellaneous	
		Minimum	Maximum	Minimum	Maximum
1	1.42	\$35	\$195	\$35	\$110,000

Schedule of valuations and rate revenue

The schedule of valuations and rate revenue is shown on the "2005/06 Statement of Rating Information" (attachment 4).

7 Fees and Charges

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

Summary of revenue from fees and charges

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

	Budget 2005/06 \$
By Nature	
Fees & Charges	<u>16,080,136</u>
By Programme	
General Purpose Funding	656,378
Law, Order & Public Safety	498,561
Health	224,044
Education & Welfare	76,585
Community Amenities	9,522,214
Recreation & Culture	3,459,849
Transport	326,649
Economic Services	1,185,688
Other Property and Services	130,168
	<u>16,080,136</u>

A rubbish collection charge is raised to recover the cost of the waste collection service to a total number of approximately 54,400 properties throughout the City. These costs include the domestic refuse collection, refuse bulk verge collections and the recycling program. Income of \$8,801,491 is included within the fees & charges and is shown within the Community Amenities programme. The schedule of fees and charges is shown separately.

8 Contributions/Reimbursements

Contributions, Reimbursements and Donations

	Budget 2004/05 \$	Actual 2004/05 \$	Budget 2005/06 \$
Operating - Contributions, Reimbursements and Donations	790,256	726,419	212,500
Non Operating - Contributions, Reimbursements and Donations:			
Contributions, Reimbursements and Donations	4,048,814	6,693	4,513,236
Contributions from Developers for Infrastructure Assets - Parks	105,000	-	105,000
Contributions from Developers for Infrastructure Assets - Roads, Drainage, Footpaths and Lighting	3,470,000	1,679,895	3,470,000
Contributions from Developers for Infrastructure Assets - Buildings	175,000	-	175,000
Total - Non Operating Contributions, Reimbursements and Donations:	7,798,814	1,686,588	8,263,236
Total - Contributions, Reimbursements and Donations:	8,589,070	2,413,008	8,475,736

Contributions and Reimbursements are estimated due to the following:

Council receives infrastructure assets including parks, roads and drainage from developers. The timing and value of the assets are not accurately known and are estimated at \$3,750,000 for 2005/06 budget purposes.

9 Disposal of Assetsa) **Schedule of disposals**

The 2005/06 Budget provides for the disposal of the following council assets (shown at estimated WDV):

By Class	Budget 2005/06 \$
Heavy Vehicles	294,364
Light Vehicles	981,951
Plant	174,574
	1,450,889

0294

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

	Budget 2005/06 \$
By Programme	
General Purpose Funding	-
Governance	-
Law, Order & Public Safety	-
Health	-
Education & Welfare	-
Community Amenities	-
Recreation & Culture	-
Transport	-
Economic Services	(135,815)
Other Property and Services	-
	(50,073)
	<u>(185,889)</u>

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

A summary by classification is shown below.

Classification	Trade / Selling Price \$	Written Down Value \$	Net Profit \$	(Loss) \$
Heavy Vehicles	305,000	294,364	38,124	(27,488)
Light Vehicles	835,500	981,952	13,423	(159,875)
Plant	124,500	174,573	23,049	(73,122)
Total	<u>1,265,000</u>	<u>1,450,889</u>	<u>74,596</u>	<u>(260,485)</u>

10 Depreciation

a) Depreciation on Non Current Assets

	Budget 2004/05 \$	Actual 2004/05 \$	Budget 2005/06 \$
Depreciation on Non Current Assets	14,868,476	14,618,727	15,030,810

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

The change in net assets resulting from operations for the 2005/06 year was arrived at after charging the following items of depreciation:

b) By Class

0295

	Budget 2005/06 \$
Buildings	1,694,700
Computer & Communications Equipment	427,650
Furniture & Equipment	85,300
Heavy Vehicles	132,000
Light Vehicles	297,120
Mobile Plant	244,920
Plant & Equipment	69,120
Reserves Infrastructure	2,250,000
Roads Infrastructure	6,500,000
Footpaths Infrastructure	420,000
Drainage Infrastructure	2,200,000
Car Parking Infrastructure	310,000
Other Engineering Infrastructure	400,000
	<hr/> 15,030,810 <hr/>

c) Depreciation by Programme

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

	Budget 2005/06 \$
By Programme	
Governance	21,441
Law, Order & Public Safety	37,370
Health	11,843
Education & Welfare	30,328
Community Amenities	502,938
Recreation & Culture	3,296,843
Transport	10,731,034
Economic Services	9,270
Other Property and Services	389,744
	<hr/> 15,030,810 <hr/>

11 Commissioners' Remuneration

For budget purposes it has been assumed that the Commissioners will continue for six months of the year with elected representatives returning in January 2006. This is subject to the completion and final recommendation of the Panel Inquiry.

The following remuneration is estimated to be paid to the Commissioners.

	Budget 2005/06
	\$
Chairman of Commissioners remuneration	24,000
Deputy Chairman of Commissioners remuneration	22,500
Commissioners remuneration	63,000
TOTAL	<u>109,500</u>

12 Members' Fees and Allowances

For budget purposes it has been assumed that the Commissioners will continue for six months of the year with elected representatives returning in January 2006. This is subject to the completion and final recommendation of the Panel Inquiry.

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

	Budget 2005/06
	\$
Mayor	
Mayoral Allowance	30,000
Mayoral Meeting Fee	7,000
Telecommunications Allowance	1,200
	<u>38,200</u>
Deputy Mayor	
Deputy Mayoral Allowance	7,500
Deputy Mayoral Meeting Fee	3,500
Telecommunications Allowance	1,200
	<u>12,200</u>
Elected Members	
Meeting Fees	45,500
Telecommunications Allowance	15,600
	<u>61,100</u>
Other Expenses (elected members and Commissioners)	
Conferences and Training Expenses	42,500
Reimbursement for Travel and Child Care	15,000
Reimbursement for other Specified Expenses	4,253
	<u>61,753</u>
TOTAL	<u><u>173,253</u></u>

a) **Mayoral Allowance and Meeting Fee**

In accordance with the section 5.98 (5)(b) of the Local Government Act 1995 and Regulation 33 (1)(b)(ii) of the Local Government (Administration) Regulations 1996, Council has set the 2005/06 mayoral allowance at \$60,000 per annum.

In accordance with Section 5.98 (1)(b) of the Local Government Act 1995 and Regulation 30 (5)(a) of the Local Government (Administration) Regulations 1996, Council has set the 2005/06 mayoral meeting fee at \$14,000 per annum.

b) **Deputy Mayoral Allowance and Meeting Fee**

In accordance with the section 5.98A (1) of the Local Government Act 1995 and Regulation 33A of the Local Government (Administration) Regulations 1996, Council has set the 2005/06 deputy mayoral allowance at \$15,000 per annum.

In accordance with Section 5.98 (1)(b) of the Local Government Act 1995 and Regulation 30 (3)(a) of the Local Government (Administration) Regulations 1996, Council has set the 2005/06 deputy mayoral meeting fee at \$7,000 per annum.

c) **Councillors' Meeting Fees**

In accordance with the section 5.98 (1) of the Local Government Act 1995 and Regulation 30 (3)(a) of the Local Government (Administration) Regulations 1996, Council has set the 2005/06 elected members meeting fee at \$7,000 per annum.

d) **Telecommunications Allowance**

In accordance with Council policy 2.2.13 Council resolved to pay all elected members an annual telecommunications allowance of \$2,400. The annual telecommunication allowance is for costs relating to Council provided mobile telephone and facsimile machine and call costs incurred relating to Council business on a personal telephone/facsimile machine. Elected members claiming expenses over the \$2,400 annual telecommunication allowance must be supported by receipted invoices for the \$2,400 and the additional amounts claimed.

e) **Other Expenses**

Elected members are entitled to reimbursement for other expenses incurred as prescribed under Council policy 2.2.13. Includes Commissioners' expenses of office.

13 Cash at Bank/Investments

a) **Reconciliation of cash**

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

b) Restricted assets

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

	Actual 2004/05	Budget 2005/06
	\$	\$
Asset Replacement Reserve	7,188,411	3,533,985
Cash in Lieu of Parking Reserve	357,380	357,380
Cash in Lieu of Public Open Space Reserve	1,158,045	1,158,045
Community Facilities Reserve	344,000	184,000
Domestic Cart – Refuse Collection Reserve	1,695,701	2,385,503
Heavy Vehicles Replacement Reserve	738,917	198,251
Hodges Drive Drainage Reserve	158,759	309
Joondalup City Centre Public Parking Reserve	237,222	237,222
Joondalup Normalisation Agreement Reserve	-	-
Leisure Centres Capital Replacement Reserve	3,960,208	463,067
Library Literacy Program Reserve	17,600	17,600
Light Vehicles Replacement Reserve	548,230	170,869
Mullaloo Beach Foreshore Enhancement Reserve	-	-
Ocean Reef Boat Launching Facility Reserve	155,991	25,346
Cultural Facility Reserve	1,748,709	561,265
Plant Replacement Reserve	999,795	784,329
Rate Revaluation Reserve	130,000	100,000
Section 20A Land Reserve	31,792	31,792
Sorrento Beach Foreshore Enhancement Reserve	900,000	-
Specified Area Rating – Harbour Rise Reserve	13,051	-
Specified Area Rating – Iluka Reserve	113,479	-
Strategic Asset Management Reserve	1,192,594	3,001,158
Town Planning Scheme No 10 (Revoked) Reserve	430,077	221,399
Wanneroo Bicentennial Trust Reserve	12,500	12,500
	22,132,461	13,444,020

Interest Earnings

The 2005/06 annual budget provides for revenue to the amount of \$2,248,000 to be generated from the investment of Council's funds. Interest earnings relating to each specific reserve account are shown in the schedule of reserves. It is estimated that interest earnings from Council funds will comprise: -

	Actual 2004/05	Budget 2005/06
	\$	\$
General Municipal Funds	2,478,516	1,748,000
Interest applied to selected reserve accounts	500,000	500,000
Total interest accruing on Municipal Funds	2,978,516	2,248,000

14 Cash Backed Reserves**Asset Replacement Reserve**

Created in 1986/87 to assist with financing various essential assets including a works depot. Transfers from accumulated surplus include interest.

Transfers from accumulated surplus of \$3,300,000 represent \$500,000 in interest and \$2,800,000 from the Joondalup Normalisation Agreement Reserve. Transfers to accumulated surplus represents funding to undertake the construction of the depot facility.

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	7,233,985	7,188,411
Transfer from Accumulated Surplus	-	3,300,000
Transfer to Accumulated Surplus	45,574	6,954,426
Closing Balance	7,188,411	3,533,985

Cash in Lieu of Parking Reserve (Restricted)

Created in 1993/94 by the former City of Wanneroo as a consequence of AAS 27 with funds previously held in Trust Fund. Represents funds received from developers in lieu of providing car parking.

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

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	357,380	357,380
Transfer from Accumulated Surplus	-	-
Transfer to Accumulated Surplus	-	-
Closing Balance	357,380	357,380

Cash in Lieu of Public Open Space Reserve (Restricted)

0300

Created in 1993/94 by the former City of Wanneroo as a consequence of AAS 27 with funds previously held in Trust Fund. Represents funds received from developers in lieu of providing public open space.

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

	Actual 30 June 05 \$	Budget 2005/06 \$
Opening Balance	1,066,540	1,158,045
Transfer from Accumulated Surplus	91,505	-
Transfer to Accumulated Surplus	-	-
Closing Balance	1,158,045	1,158,045

Community Facilities Reserve

Created in 2004/05 for the purpose of funding the construction, development and maintenance of community facilities.

The reserve was established with funds previously carried forward in respect to the construction of the Currambine community facility.

Transfers to accumulated surplus of \$160,000 includes funding for a \$25,000 feasibility study and \$135,000 to undertake works that may arise from the feasibility study.

	Actual 30 June 05 \$	Budget 2005/06 \$
Opening Balance	344,000	344,000
Transfer from Accumulated Surplus	-	-
Transfer to Accumulated Surplus	-	160,000
Closing Balance	344,000	184,000

Domestic Cart - Refuse Collection Reserve

Created in 1990/91 by the former City of Wanneroo to provide for additional plant and equipment used specifically for the provision of the domestic cart refuse collection service.

This reserve is maintained by an annual allocation equivalent to the operating surplus achieved by the waste management service. Transfers from accumulated surplus include interest and the repayment of funds previously advanced to the City of Wanneroo for the secondary treatment plant and through a surplus of funds raised by way of annual charge less amounts expended on this activity during the year. An amount of \$25,000 has been transferred to Accumulated Surplus in order to fund work on a Waste Management Strategy.

0301

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	1,272,228	1,695,701
Transfer from Accumulated Surplus	423,473	714,802
Transfer to Accumulated Surplus	-	25,000
Closing Balance	1,695,701	2,385,503

Heavy Vehicles Replacement Reserve

Created in 1996/97 by the former City of Wanneroo to provide for the replacement of Council's fleet of vehicles.

This reserve is maintained by an annual allocation of an amount equivalent to the 'capital' charge, which would be charged against all Council works and services on which the vehicles are used. Transfers from accumulated surplus are by way of a 'capital charge'. Transfers from this reserve are to undertake purchases during the year. Additions to this reserve are by a capital charge based on the utilisation of the vehicle. The reserve accounts build up and are used when the items are due for replacement. The amounts required annually are reflected in the motor vehicle & plant replacement programme.

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	843,935	738,917
Transfer from Accumulated Surplus	169,575	134,334
Transfer to Accumulated Surplus	274,594	675,000
Closing Balance	738,917	198,251

Hodges Drive Drainage Reserve (Restricted)

Created in 1988/89 by the former City of Wanneroo to finance the provision of drainage at Hodges Drive.

Maintained by equal annual allocations from the municipal fund over the years 1989/90 to 1994/95.

Transfers to accumulated surplus of \$158,450 will be used to fund drainage works on Ocean Reef Road between Hodges Drive and Shenton Avenue.

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	196,309	158,759
Transfer from Accumulated Surplus	-	-
Transfer to Accumulated Surplus	37,550	158,450
Closing Balance	158,759	309

0302

Joondalup City Centre Public Parking Reserve (Restricted)

Created in 1995/96 by the former City of Wanneroo to accumulate funds received from developers within the Joondalup central business district in lieu of providing car parking and will be utilised to fund future car parking requirements.

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

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	229,122	237,222
Transfer from Accumulated Surplus	8,100	-
Transfer to Accumulated Surplus	-	-
Closing Balance	237,222	237,222

Joondalup Normalisation Agreement Reserve

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

Transfers from accumulated surplus of \$2,800,000 represents Landcorp funding which will be received by the City. Transfers to accumulated surplus represent the transfer of this funding to the Asset Replacement Reserve.

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	-	-
Transfer from Accumulated Surplus	-	2,800,000
Transfer to Accumulated Surplus	-	2,800,000
Closing Balance	-	-

Leisure Centres Capital Replacement Reserve

Created in 2001/02 with the outsourcing of the Craigie leisure centre, Ocean Ridge recreation centre and Sorrento/Duncraig recreation centre to the RANS Management Group to undertake future refurbishment works.

Transfers from accumulated surplus of \$450,000 represents a State Government Grant to fund the geothermal bore. Transfers to the accumulated surplus are to undertake works associated with the upgrade of facilities at the Craigie Leisure Centre.

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	7,416,195	3,960,208
Transfer from Accumulated Surplus	2,200,000	450,000
Transfer to Accumulated Surplus	5,655,987	3,947,141
Closing Balance	3,960,208	463,067

Library Literacy Program Reserve

0303

Created in 2003/04 with proceeds from the sale of donated and surplus library books with such funds to be used for the development of literacy programs to be held at the City's libraries in future years.

Transfers from accumulated surplus includes funds from the sale of donated and surplus library books.

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	7,604	17,600
Transfer from Accumulated Surplus	9,996	-
Transfer to Accumulated Surplus	-	-
Closing Balance	17,600	17,600

Light Vehicles Replacement Reserve

Created in 1996/97 by the former City of Wanneroo to provide for the replacement of Council's fleet of light vehicles.

This reserve is maintained by an annual allocation of an amount equivalent to the 'capital' charge, which would be charged against all Council works and services on which the vehicles are used. Transfers from accumulated surplus are by way of a 'capital charge'. Transfers from this reserve are to undertake purchases during the year. The amount required from year to year varies significantly as reflected in the motor vehicle & plant replacement programme.

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	468,386	548,230
Transfer from Accumulated Surplus	456,863	501,139
Transfer to Accumulated Surplus	377,019	878,500
Closing Balance	548,230	170,869

Mullaloo Beach Foreshore Enhancement Reserve

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

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	-	-
Transfer from Accumulated Surplus	267,748	-
Transfer to Accumulated Surplus	267,748	-
Closing Balance	-	-

Ocean Reef Boat Launching Facility Reserve (Restricted)

0304

Created in 1998/99 for the purpose of planning, developing and managing the Ocean Reef boat launching facility precinct, generally comprising the launching facility and the adjacent foreshore lands.

Transfers from accumulated surplus represent a State Government grant of \$700,000 and municipal funding of \$200,000. Transfers to accumulated surplus of \$1,030,645 represents funding for development of a concept design and structure plan for the Ocean Reef Boat harbour.

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	55,991	155,991
Transfer from Accumulated Surplus	100,000	900,000
Transfer to Accumulated Surplus	-	1,030,645
Closing Balance	155,991	25,346

Cultural Facility Reserve

Created in 2000/2001 to assist with the design and development of a regional performing arts facility in the Joondalup city centre. The reserve was renamed in 2005/06 to more appropriately reflect the intent of this project for a multi-purpose cultural facility.

Transfers from accumulated surplus include interest. Additions to this Reserve are by a specific budget allocation. An amount of \$1,187,444 will be used towards completion of Landscaping Works of \$266,944, Road Works of \$401,828 and \$518,672 for a Land Purchase.

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	1,688,971	1,748,709
Transfer from Accumulated Surplus	122,294	-
Transfer to Accumulated Surplus	62,556	1,187,444
Closing Balance	1,748,709	561,265

0305

Plant Replacement Reserve

Created in 1996/97 to assist with financing of Council's plant and equipment.

This reserve is maintained by an annual allocation of an amount equivalent to the 'capital charge' that would be charged against all Council works on which plant is used. Transfers from accumulated surplus are by way of a 'capital charge'. Transfers from this reserve are to undertake purchases during the year. The amounts required from year to year vary significantly as reflected in the motor vehicle & plant replacement programme.

	Actual 30 June 05	Budget 2005/06
Opening Balance	\$ 991,583	\$ 999,795
Transfer from Accumulated Surplus	375,688	402,034
Transfer to Accumulated Surplus	367,476	617,500
Closing Balance	999,795	784,329

Rate Revaluation Reserve

Created in 2003/04 to assist with financing the costs associated with the triennial general property revaluation undertaken by the Valuer General.

Transfers from accumulated surplus of \$165,000 represents an amount of \$65,000 to fund the 2005 revaluation and \$100,000 to fund future revaluations. Transfers to accumulated surplus represents an amount of \$195,000 which will be applied to part fund of the 2005 revaluation undertaken by the Valuer General.

	Actual 30 June 05	Budget 2005/06
Opening Balance	\$ 65,000	\$ 130,000
Transfer from Accumulated Surplus	65,000	165,000
Transfer to Accumulated Surplus	-	195,000
Closing Balance	130,000	100,000

Section 20A Land Reserve (Restricted)

Created in 1993/94 by the former City of Wanneroo to comply with the Department of Land Administration guidelines on the sale of unwanted Section 20A "Public Recreation" reserve land that requires that the proceeds be applied to capital improvements on other recreation reserves in the general locality.

	Actual 30 June 05	Budget 2005/06
Opening Balance	\$ 31,792	\$ 31,792
Transfer from Accumulated Surplus	-	-
Transfer to Accumulated Surplus	-	-
Closing Balance	31,792	31,792

0306

Sorrento Beach Foreshore Enhancement Reserve

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

Transfers from accumulated surplus represent external borrowings of \$900,000 (see note 16 c). Transfers to accumulated surplus is to complete stage 2 works relating to the Sorrento Beach Foreshore Enhancement project.

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	-	900,000
Transfer from Accumulated Surplus	2,319,569	900,000
Transfer to Accumulated Surplus	1,419,569	1,800,000
Closing Balance	900,000	-

Specified Area Rating – Harbour Rise Reserve

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

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

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	57,833	13,051
Transfer from Accumulated Surplus	13,051	-
Transfer to Accumulated Surplus	57,833	13,051
Closing Balance	13,051	-

Specified Area Rating – Iluka Reserve

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

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

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	131,578	113,479
Transfer from Accumulated Surplus	113,479	-
Transfer to Accumulated Surplus	131,578	113,479
Closing Balance	113,479	-

Strategic Asset Management Reserve

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

Transfers from accumulated surplus represents the 2004/05 operating surplus of \$438,564, \$470,000 which consists of sale of land of \$295,000 at Trappers Drive Woodvale and two access easements of \$175,000 at the Woodvale Boulevard Shopping Centre and \$900,000 as an allocation from municipal funds..

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	-	1,192,594
Transfer from Accumulated Surplus	1,192,594	1,808,564
Transfer to Accumulated Surplus	-	-
Closing Balance	1,192,594	3,001,158

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

Created in 1993/94 by the former City of Wanneroo as a consequence of AAS 27 with funds previously held in Trust Fund. Represents residual funds from Town Planning Scheme No 10 (Revoked) and will be utilised on the provision of facilities generally within or in close proximity of the scheme area. This money can only be spent in the Town Planning Scheme No 10 area (Kingsley) or repaid to the payee.

Transfers to accumulated surplus of \$208,678 are to undertake capital works at Moolanda Boulevard Kingsley \$67,000, Creaney Drive Kingsley \$79,800 and Yellagonga Regional Park \$61,878.

	Actual 30 June 05	Budget 2005/06
	\$	\$
Opening Balance	560,859	430,077
Transfer from Accumulated Surplus	-	-
Transfer to Accumulated Surplus	130,782	208,678
Closing Balance	430,077	221,399

Wanneroo Bicentennial Trust Reserve (Restricted)

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

The Trust was dissolved during 2000/01. The final distribution is still to occur and is expected to be to the Carine Rotary Club for its Dolphin Wishing Well project.

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	Actual 30 June 05 \$	Budget 2005/06 \$
Opening Balance	12,500	12,500
Transfer from Accumulated Surplus	-	-
Transfer to Accumulated Surplus	-	-
Closing Balance	12,500	12,500

15 Non Current Assets

a) Capital expenditure by class of asset

Acquisition of Assets

The 2005/06 Budget provides for the acquisition of the following council assets:

	Budget 2005/06 \$
Artifacts and Artwork	20,000
Computers and Communication Equipment	1,508,793
Furniture & Equipment	134,985
Heavy Vehicles	980,000
Light Vehicles	1,966,100
Mobile Plant and Plant & Equipment	742,000
Capital Works	33,042,757
Acquired Infrastructure Assets	3,750,000
	42,144,635

b) Capital expenditure by Class of Programme

By Programme

	Budget 2005/06 \$
General Purpose Funding	-
Law, Order & Public Safety	271,186
Health	16,669
Education & Welfare	4,010,833
Community Amenities	2,636,298
Recreation & Culture	10,581,674
Transport	22,582,356
Economic Services	7,338
Other Property and Services	2,038,281
	42,144,635

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

16 Loan Facilities

a) **Prior year borrowings**

The City has borrowings of \$3,000,000 at 30 June 2005. The balance as at 30 June 2006 will be as follows:

Balance as at 30 June 2005	Total Principal Payments Paid During 2005/06	Balance as at 30 June 2006
\$3,000,000	\$228,493.27	\$2,771,506.73

The total interest paid on the above borrowings for the year ended 30 June 2006 will be \$168,798.25

b) **Credit Standby Arrangements**

The City operates with the following bank facilities: -

City of Joondalup - Municipal Fund
City of Joondalup - Trust Fund

A net overdraft facility of \$500,000 was established in July 1999 to meet short-term cash payment requirements and has been discontinued as at 30 June 2005. The overdraft was not utilised at 30 June 2005.

c) **Current year borrowings**

The City of Joondalup will borrow funds of \$900,000 at an estimated interest rate of 5.97%. The loan is to fund 50% of the upgrade of the Sorrento Beach Foreshore Enhancement Program. The loan will be fully drawn down prior to 30 June 2006. It is anticipated that this will be a fixed interest loan for a period of 10 years with monthly repayments of principal and interest.

17 Business/Trading Undertakings

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

a) **Major Land Transactions**

The City expects to acquire land during the 2005/06 period which is to be funded from the Asset Replacement Reserve and the Cultural Facility Reserve. An estimated cost of \$2,800,000 to purchase land for the works depot and \$518,612 for the Joondalup Cultural Facility has been included in the budget for this purpose.

18 Strategic Financial Plan

The Draft 2005/06 to 2008/09 Strategic Financial Plan was made available for public consideration and comment on 21 May 2005. All the operating activities prescribed in the Strategic Financial Plan have been included and budgeted for in the 2005/06 budget.

The Strategic Financial Plan closing date for public comments was 20 June 2005. The City received 279 submissions from members of the public that were considered by the Budget Committee.

The principal activities as described in the Strategic Financial Plan have been included in the budget. No additional principal activities have been included or excluded from the 2005/06 budget.

19 Determination of Opening Funds

SUMMARY OF CURRENT ASSETS - CURRENT LIABILITIES AS AT 30 JUNE 2005	\$	\$
Current Assets		
Rates and Sundry Debtors	1,992,590	
Private Swimming Pools Fees	4,107	
Domestic Refuse Charge	226,209	
Accrued Income	76,900	
Cash Advances	9,084	
Cash at Bank and Investments	40,628,210	
Goods and Services Tax	697,434	
Prepayments	222,892	
Pensioner Rates Deferred	-976,172	
Less Provision for Sundry Debtors	-31,424	
Closing Position - Current Assets		42,849,830
Less: Current Liabilities		
Trade Creditors	3,408,182	
Sundry Creditors	1,691,781	
Bank Overdraft	854	
Accrued Expenses	1,281,859	
Short Term Borrowings	228,493	
Income in Advance	220,430	
Goods and Services Tax	74,660	
Provision for Annual Leave	2,177,694	
Provision for Long Service Leave	2,455,220	
Provision for Purchased Leave	323	
Provision for Workers Compensation Insurance	892,618	
Closing Position - Current Liabilities		12,432,114
Net Current Assets (Asset less Liabilities)		30,417,716
Less: Restricted Assets -		
Reserves	22,132,459	
Unspent Government Grants (Operating)	55,559	
		22,188,018
Surplus Carried Forward at 30 June 2005		8,229,698
Less:		
Carried Forward Projects- Engineering	3,625,257	
Carried Forward Projects- Buildings	1,038,994	
Carried Forward Council Projects - estimated	10,000	
Carried Forward Projects- Parks	455,858	
Carried Forward Proposals	1,164,534	
		6,294,643
Available Surplus Carried Forward at 30 June 2005		1,935,055