

CITY OF JOONDALUP

Notice is hereby given that a Special Meeting of Council will be held in the Council Chamber, Joondalup Civic Centre, Boas Avenue, Joondalup on **THURSDAY 28 JULY 2005** commencing at **7.00 pm**.

GARRY HUNT
Chief Executive Officer
26 July 2005

Joondalup
Western Australia

AGENDA

PUBLIC QUESTION TIME

(Please Note: Section 7(4)(b) of the Local Government (Administration) Regulations 1996 states that a Council at a special meeting is not required to answer a question that does not relate to the purpose of the meeting. It is requested that only questions that relate to items on the agenda be asked).

APOLOGIES AND LEAVE OF ABSENCE

DECLARATIONS OF FINANCIAL INTEREST/INTEREST THAT MAY AFFECT IMPARTIALITY

ITEMS OF BUSINESS

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CLOSURE

JSC2-07/05 STRATEGIC FINANCIAL PLAN 2005/06 TO 2008/09, - [14528, 38432]

WARD: All

RESPONSIBLE DIRECTOR: Garry Hunt
Chief Executive Officer

PURPOSE

For Council to adopt the Strategic Financial Plan 2005/06 to 2008/09.

EXECUTIVE SUMMARY

The Local Government Amendment Act 2004 (section 42) removed the need for principal activity planning and replaced it with a requirement for a more general 'plan for the future'. Sections 5.56, 5.57 and 5.58 of the *Local Government Act 1995* have been repealed and replaced by a new section 5.56. The Local Government Amendment Act was proclaimed in March 2005.

Following the amendments made to the Local Government Act, Council resolved in April 2005, to produce a Strategic Financial Plan (*Item CJ045-04/05 refers*). On 17 May 2005, Council accepted the draft Strategic Financial Plan 2005/06 - 2008/09 (draft SFP 2005/06 – 2008/09) and also endorsed a 30-day public consultation period on the draft SFP 2005/06 - 2008/09 (*Item CJ086 - 05/05 refers*).

The draft SFP 2005/06 – 2008/09 was advertised for public comment from 21 May to 20 June 2005. The City received a total of 279 submissions, including a 144-signature petition. All submissions received by the end of the public submission period are summarised in Attachment 2.

Submissions from the community addressed a range of issues, most significantly in relation to:

- Craigie Leisure Centre – 50 metre pool
- Ocean Reef Harbour Development
- Dry Parks Development
- Cultural Facility
- Currambine Community Centre
- Mullaloo Beach Development
- Joondalup Works Depot
- Expenditure and Borrowings

Officers have reviewed all submissions and are of the opinion that no major changes are required to the draft SFP 2005/06 to 2008/09.

It is recommended that Council:

- 1 *Having considered the submissions received, and following a review the content of the submissions in the context of the requirements of responsible fiscal management, ENDORSES the Strategic Financial Plan for 2005/2006 – 2008/2009 shown as Attachment 1 to this Report.*

- 2 *THANKS all members of the community for their submissions on the draft Strategic Financial Plan for 2005/06 – 2008/09.*

BACKGROUND

The City has produced a Principal Activities Plan annually since 1999. The Local Government Amendment Act 2004 (section 42) removed the need for principal activity planning and replaced it with a requirement for a more general 'plan for the future'. Sections 5.56, 5.57 and 5.58 of the *Local Government Act 1995* have been repealed and replaced by a new section 5.56. The Local Government Amendment Act was proclaimed in March 2005.

The associated regulations have not been introduced for the 2005/06 budget process. The only requirement under section 6.2 for the 2005/06 budget is that Councils have regard to such a plan for the future and the process and content of the plan will be subject to determination by individual local governments. The new regulations will apply for the 2006/07 financial year.

Council resolved to produce a Strategic Financial Plan for the period 2005/06 – 2008/09 for the 2005/06 budget process. (*Item CJ045-04/05 refers*).

Council accepted the draft Strategic Financial Plan 2005/06 to 2008/09 on 17 May 2005 and at that meeting also endorsed a 30-day consultation period on the draft SFP 2005/06. (*CJ086 - 05/05 refers*)

DETAILS

The draft Strategic Financial Plan 2005/06 – 2008/09 was advertised for public comment and was made available at the City's libraries and at both Customer Service locations, and published on the City's web site. The draft SFP 2005/06 was made available for 30 days from 21 May 2005 to the closing date of 20 June 2005.

The City received 279 submissions by 20 June 2005, which included a 144-signature petition by members of the Association of Independent Retirees and other community members. The signatures on the petition have been considered as individual submissions as the petition meets the requirements of Council Policy 2.3.6.

The majority of submissions (269 in total) relate to the non-inclusion in the Plan of a 50-metre pool at the Craigie Leisure Centre. The ten other submissions address a range of issues including:

- Craigie Leisure Centre – 50 metre pool
- Ocean Reef Harbour Development
- Dry Parks Development
- Cultural Facility
- Currambine Community Centre
- Mullaloo Beach Development
- Joondalup Works Depot
- Income, Expenditure and Borrowings

A summary of all community submissions received is shown as Attachment 2. Officer comments on the submissions are included in the attachment.

All submissions from the community are provided in their entirety as Attachment 3.

The community submissions have been reviewed and are not able to be accommodated without major changes to the proposed funding and works program.

Minor amendments have been made to page 16 of the SFP 2005/06 – 2008/09 in relation to the Cultural Facility with the last sentence in paragraph 5 now reading:

‘As a result the City will undertake a review of the project scope and intent to ensure that when complete the facility is the appropriate type for the region and importantly, is affordable to the City.’

A minor change has also been made to page 17 with paragraph 2 now reading:

‘It is expected that tenders for construction of the Works Depot will be called early 2006 (subject to the City not having to source an alternative site) with construction to be completed during 2007.’

Issues and options considered:

In order to meet the requirements of the Local Government Act 1995, Council has produced a Principal Activities Plan since 1999. In 2003 the State Department of Local Government and Regional Development undertook a major review of the *Local Government Act 1995* and associated regulations. The *Local Government Amendment Act 2004*, which was proclaimed on 31 March 2005, removes the detailed requirements for principal activity planning. In its place will be the requirement for a local government to plan for the future, and in determining its annual budget, to consider this plan when formulating the budget (section 6.2(2)). The new regulations do not apply until the 2006/07 financial year, and the 2005/06 financial year is, in effect, a year of transition.

Council was informed of the changes that were likely to be made to principal activities planning by the Department of Local Government in late 2004. Council had an option of not producing a Principal Activities Plan in 2005 at all. Council, however, made a decision to develop a ‘plan for the future’ providing details of major activities in demonstration of the City’s commitment to the community to be open and transparent in all its activities.

Consequently, on 5 April 2005, Council endorsed the proposal that a Strategic Financial Plan would be produced and that the Plan would be made available to the public for a 30-day period (*Item CJ045-04/05 refers*) to enable the community to make submissions in relation to the activities within the Plan. Previously, the legislation required that the Principal Activities Plan be advertised for a public comment period of 42 days. The new legislation does not prescribe a public comment period but does stipulate that: *‘A local government is to ensure that the electors and ratepayers of its district are consulted as to the development of a plan for the future of the district, and any modifications to the plan’.*

Council endorsed a 30-day public comment period for the SFP 2005/06 – 2008/09 as an interim measure to address the transitional nature of the 2005/06 financial year, and to enable Council to adopt the 2005/06 Budget in July.

Link to Strategic Plan:

Outcome 4: The City of Joondalup is a sustainable and accountable business.

Objective 4.1: Ensure financial viability and alignment to plan.

Legislation – Statutory Provisions:

The Local Government Act (as amended in June 2005) does not require the development of a ‘Plan for the Future’ for the 2005/06 financial year. The 2005/06 financial year is a transition period.

As the new regulations do not apply until the 2006/07 financial year, the City has produced the draft SFP 2005/06 – 2008/09 which replaces the Principal Activities Plan, and provides an overview of the major projects and programmes, and funding options that may be considered by Council over the period of the Plan.

Risk Management considerations:

Council has, as its key financial objective, the long-term financial sustainability of the local government. Maintaining financial sustainability is important in order to avoid the impact on the local community of disruptive spending cuts or rate increases, and to ensure fairness in the rating budget between current and future ratepayers.

Financial/Budget Implications:

The draft SFP 2005/06 – 2008/09 provides forward financial details for the next four years.

Policy implications:

Policy 2.3.6 – Public Submissions states that:

Where the Council receives a public submission from a body of people, incorporated club, organisation, residents association etc, as a result of the public consultation process on issues confronting the City, such submission shall be regarded as one submission, UNLESS the content of that submission is individually signed with the name and address of each member/person agreeing with the content of the said submission.

The petition received by the City contains names and addresses of each person who has signed it. Accordingly the petition has been treated as 144 individual submissions.

Regional Implications

N/A

Sustainability implications:

The development of a Strategic Financial Plan will establish a sustainable financial strategy for the future through the provision of sufficient funds to allow capital projects and new initiatives to be implemented, ensure the City's infrastructure is maintained, and ensure Council has the financial flexibility to respond to community needs now and into the future.

Council, through the Strategic Financial Planning Framework, is undertaking long-term infrastructure, asset management and financial planning with a view to ensuring that the annual and long-term funding requirements are assessed in a strategic manner.

In exploring all options (including borrowings, savings or reserve strategies) in the development of a 20-year Strategic Financial Plan the following remain paramount:

- Maintenance of Council's high priority service delivery and infrastructure programs;
- The stability and predictability in the Council's revenue raising efforts; and
- A fair sharing in the distribution of Council resources, and the attendant revenue raising, between current and future ratepayers.

Consultation:

The draft SFP 2005/06 was made available for public comment for 30 days (21 May 2005 to 20 June 2005). Advertisements were placed in the Saturday edition of the West Australian Newspaper and the Joondalup Times. The draft Plan was also made available at the City's libraries and at both Customer Service locations, and was published on the City's web site.

COMMENT

The objective of the Strategic Financial Plan is to achieve sustainability by delivering services today without jeopardising the prospects of future generations. The achievement of this goal requires consideration of community needs, the costs of delivering services, current and future replacement requirements for infrastructure and the wider political and economic environment.

The SFP 2005/06 – 2008/09 outlines a resourcing framework that supports the sustainability of the Strategic Plan 2005 – 2008.

The majority of the submissions received from the community were in relation to the 50 – metre pool at Craigie Leisure Centre (CLC) and represents a strong lobby from swimming clubs, surf clubs and schools. All issues raised by the community have been fully considered by the City and a response to each submission is provided within Attachment 2 of this report. The City is of the opinion that no significant modifications are required to the draft SFP 2005/06.

Minor amendments have been made to page 16 of the SFP 2005/06 – 2008/09 in relation to the Cultural Facility with the last sentence in paragraph 5 now reading, '*As a result the City will undertake a review of the project scope and intent to ensure that when complete the facility is the appropriate type for the region and importantly, is affordable to the City.*' A minor change has also been made to page 17 with paragraph 2 now reading, '*It is expected that tenders for construction of the Works Depot will be called early 2006 (subject to the City not having to source an alternative site) with construction to be completed during 2007.*'

Council is now required to receive and consider the community submissions, and accept the Strategic Financial Plan 2005/06 – 2008/09 with or without modification.

ATTACHMENTS

Attachment 1 – Strategic Financial Plan 2005/06 – 2008/09

Attachment 2 – Summary of Community Submissions with corresponding officer comments

Attachment 3 – Community Submissions

VOTING REQUIREMENTS

Simple Majority

RECOMMENDATION**That Council:**

- 1** having considered the submissions received, and following a review the content of the submissions in the context of the requirements of responsible fiscal management, **ENDORSES** the Strategic Financial Plan for 2005/2006 – 2008/2009 shown as Attachment 1 to Report JSC2-07/05;
- 2** **THANKS** all members of the community for their submissions on the draft Strategic Financial Plan for 2005/06 – 2008/09.

Appendices 1, 2 and 3 refer.

To access these attachments on electronic document, click here: [Attach1agn280705.pdf](#)

[Attach2agn280705.pdf](#)

[Attach3agn280705.pdf](#)

JSC3-07/05 MINUTES OF THE STRATEGIC FINANCIAL MANAGEMENT COMMITTEE – [51567, 14528, 80566]

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Peter Schneider
Corporate Services and Resource Management

PURPOSE

To submit the Minutes of the Strategic Financial Management Committee (SFMC) to Council for noting.

EXECUTIVE SUMMARY

Meetings of the Strategic Financial Management Committee were held on:

- 3 May 2005 (confirmed);
- 5 July 2005 (unconfirmed).

It is recommended that Council:

- 1 *NOTES the following minutes of the Strategic Financial Management Committee, forming Attachment 1 to this report*
 - (a) *3 May 2005 (confirmed);*
 - (b) *5 July 2005 (unconfirmed).*
- 2 *REQUESTS that a report be submitted to Council in due course on a long-term strategy and financial plan for parking in the Joondalup CBD.*

BACKGROUND

At its meeting held on 2 November 2004 (Item CJ249-11/04 refers) Council established the Strategic Financial Management Committee (SFMC), comprising the Joint Commissioners, with the following terms of reference:

- (a) Promote and advocate sound financial management within the City and provide advice to the council on strategic financial management issues;
- (b) In particular advise Council on –
 - (i) How funding can be achieved for any major capital works project before the council makes a commitment to a project;
 - (ii) Levels of service;
 - (iii) Preparation of the Principal Activities Plan with high priority being given to ensure that the Plan is achievable in the long term;
 - (iv) Alignment of the Principal Activities Plan to the Council's Strategic Plan;
 - (v) Consideration of public submissions to the Principal Activities Plan;
 - (vi) Final acceptance of the Principal Activities Plan.

- (c) Policy development and review of policies with financial implications for the City;

At its meeting held on 17 May 2005 (Item CJ087-05/05) Council noted the following confirmed minutes of the Strategic Financial Management Committee:

- 8 and 22 February 2005'
- 1 March 2005;
- 22 March 2005;
- 5 April 2005.

DETAILS

Meetings of the SFMC were held on:

- 3 May 2005 (confirmed);
- 5 July 2005 (unconfirmed).

The minutes of these committee meetings are attached for noting – Attachment 1 refers.

Issues and options considered:

As contained within the minutes of the SFMC.

Link to Strategic Plan:

Key Focus Area 4 - Organisational Development

- 4.1 To manage the business in a responsible and accountable manner;
- 4.1.1 Ensure financial viability and alignment to plan.

Legislation – Statutory Provisions:

In accordance with Section 2.7 of the Local Government Act 1995, included in the role of the Council is the responsibility to oversee the allocation of the local government's finances and resources.

Section 5.8 of the Local Government Act 1995 provides for a local government to establish a committee to assist the Council.

Risk Management considerations:

The main risk considerations related to the SFMC are of an economic nature and pertain principally to issues of sustainability.

Financial/Budget Implications:

The terms of reference of the SFMC include promoting and advocating sound financial advice to the Council on strategic financial management issues.

Policy implications:

Links with Policy 2.4.5 – Budget Timetable by assisting in achieving a transparent, planned and co-ordinated budget linking to the Strategic Financial Plan (formerly Principal Activities Plan).

Sustainability implications:

The terms of reference of the SFMC are consistent with establishing a sustainable financial plan for the future by advising Council on funding for capital works projects, levels of service and preparation of the Strategic Financial Plan.

Consultation:

Consultation is achieved through advertising and consideration of public comments associated with the Strategic Financial Plan.

COMMENT

The minutes of the Strategic Financial Management Committee are provided to Council for noting.

ATTACHMENTS

Attachment 1 Minutes of the Strategic Financial Committee Meetings held on:

- 3 May 2005 (confirmed);
- 5 July 2005 (unconfirmed).

VOTING REQUIREMENTS

Simple Majority.

RECOMMENDATION**That Council:**

- 1 NOTES the following minutes of the Strategic Financial Management Committee, forming Attachment 1 to Report JSC3-07/05;**
 - (a) 3 May 2005 (confirmed);**
 - (b) 5 July 2005 (unconfirmed);**
- 2 REQUESTS that a report be submitted to Council in due course on a long-term strategy and financial plan for parking in the Joondalup CBD.**

Appendix 4 refers.

To access this attachment on electronic document, click here: [Attach4agn280705.pdf](#)

JSC4-07/05 2005/06 DRAFT BUDGET – [80566]

WARD: All

RESPONSIBLE DIRECTOR: Peter Schneider
Corporate Services and Resource Management

PURPOSE

The purpose of this report is to present the 2005/06 Draft Budget to Council for adoption.

EXECUTIVE SUMMARY

The 2005/06 budget process formally commenced in February 2005 with Council adopting guidelines for the preparation of the 2005/06 Budget. The 2005/06 Budget was prepared by officers and submitted to the Executive Management Team for review.

The 2005/06 budget has been developed within a strategic financial planning framework based on leadership by the Council, the determination of Council priorities, and the allocation of resources to these priorities.

Significant emphasis has been placed on improving the budget process to ensure that the Annual Budget forms part of and is driven by a longer-term strategic planning framework. The process for the development of the 2005/06 budget has incorporated clear links to Council's long-term objectives, and the strategic Financial Plan.

A total of six Strategic Financial Management Committee meetings were held during the period February 2005 to July 2005.

It is recommended that Council, BY AN ABSOLUTE MAJORITY, ADOPTS the annual budget for the City of Joondalup for the year ending 30 June 2006, incorporating:

- 1 *Budget Statements;*
- 2 *Rates;*
- 3 *Emergency Services Levy;*
- 4 *Domestic Refuse Charges;*
- 5 *Private Swimming Pool Inspection Fees;*
- 6 *Discount and Early Payment Incentives;*
- 7 *Payment Options;*
- 8 *Late Payment Interest;*
- 9 *Emergency Services Levy Interest Charge;*
- 10 *Instalment and Arrangements Administration Fees & Interest Charges;*
- 11 *The Performing Arts Facility Reserve be renamed the Cultural Facility Reserve and this also be reflected in the narrative covering the purpose of the reserve;*
- 12 *Transfers From Reserves.*

BACKGROUND

The 2005/2006 budget process has been in progress since early 2005. The contents of the budget have been refined over this period after consultations with Council, deliberations of the Strategic Financial Management Committee, staff presentations, and an analysis and review of budget information by the CEO and senior employees of the City.

The 2005/06 budget has been formulated within a longer term financial planning process to ensure that the financial viability of Council is achieved. Financial parameters have been established by the Strategic Financial Committee and projected, based on agreed assumptions, over a 4-year time frame within the Strategic Financial Plan 2005/06 – 2008/09. This model provides the basis for differentiating the resource allocations between operating programs/services, projects and capital works.

Considerable emphasis has been placed on enhancing the budget process to ensure that the annual budget forms part of and is driven by a longer-term strategic planning framework. The process for the development of the 2005/06 budget has included clear links to Council's long-term objectives, and the Strategic Financial Plan, which is being further developed and refined over the next three months.

The focus of the Annual Budget 2005/06 has been on ensuring that resource allocation is facilitated in the short term not only within a financial management framework but also within the context of a longer-term financially sustainable approach which will establish and evaluate options on the basis of carefully considered priorities, and an analysis of community needs against Council's financial capacity into the future.

DETAILS

The City of Joondalup's 2005/06 Budget is a balanced budget and sets the foundation for the City to continue a measured and stable growth.

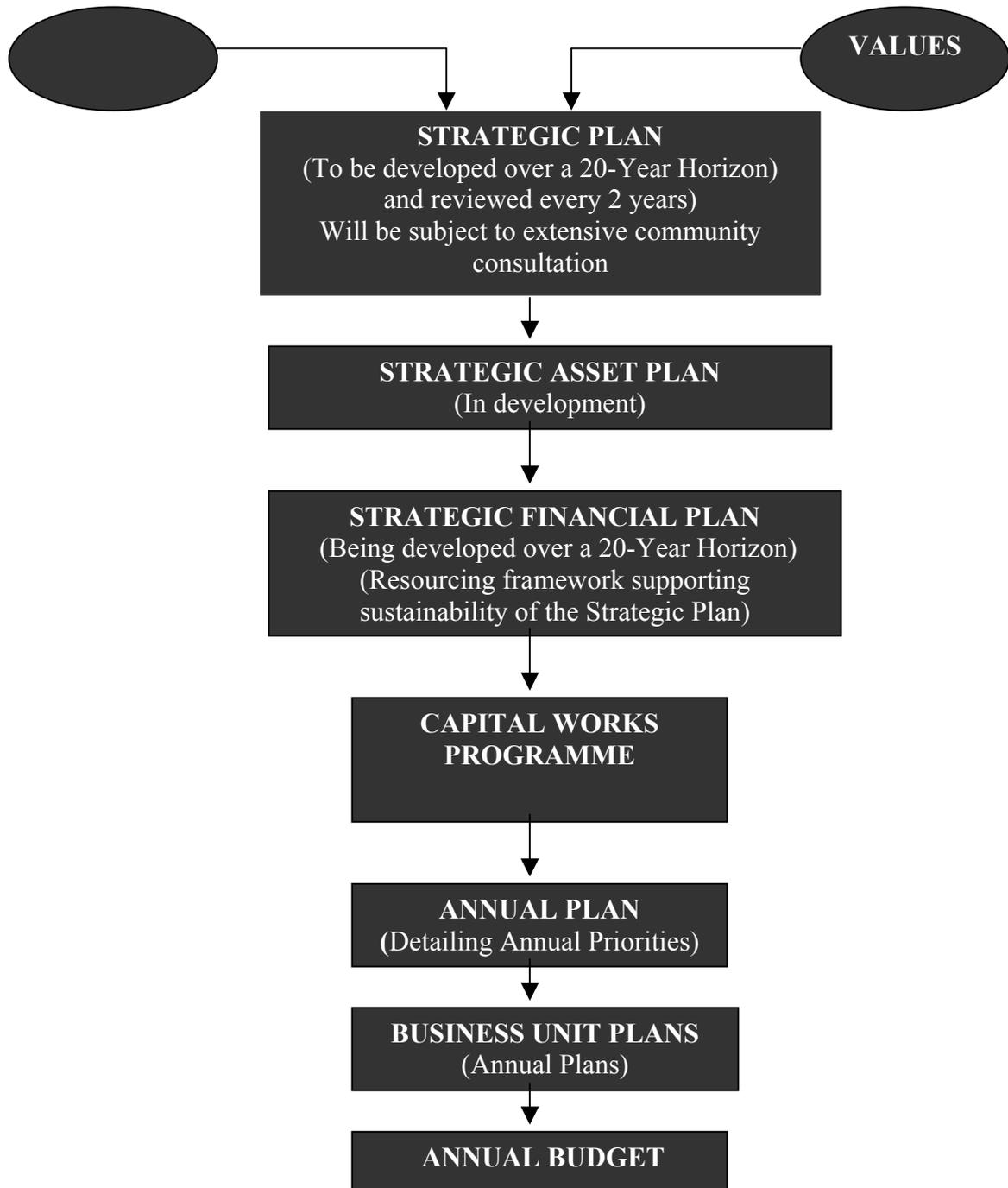
Significant emphasis has been placed on improving the budget process to ensure that the Annual Budget forms part of and is driven by a longer-term strategic planning framework. The process for the development of the 2005/06 budget has incorporated clear links to Council's long-term objectives, and the strategic Financial Plan.

The budget process is conducted over a number of months and involves extensive analytical and review stages as summarised below:

- Financial Performance Analysis 2004/2005 (quarterly)
- Review Principal Activities Plan 2004/05 – 2008/09
- Assess Financial Capacity and Sustainability
- Call for Bids – Operational
- Assess Bids
 - Operations
 - Community need
 - Past Principal Activities Plans
- Prepare Strategic Financial Plan (formerly PAP) 2005/06 – 2008/09
- Assess/Analyse Rating Capacity
- Initial Review of Service Delivery
- Critical Analysis of Annual Plan Performance
- Review all Bids for Capacity
 - Rating
 - Resources to implement and deploy
 - Analyse 2004/05 performance

- Determine Potential Reductions
- Strategic Plan – Alignment
- Executive Analysis
- Strategic Financial Plan – Strategy Session

The integrated planning framework is depicted in the following diagram:



Capital

This Budget provides for a large capital works programme, excellent community services through the provision of cultural, leisure and library programmes and growth in the number and standard of public parks and recreation facilities.

Council has identified 7 major capital projects, with total expenditure during 2005/06 against these projects estimated to be \$15.1m as follows:

- | | |
|--|---------|
| • Craigie Leisure Centre | \$3.9m |
| • Currambine Community Centre | \$0.16m |
| • Cultural Facility | \$1.2m |
| • Joondalup Works Depot | \$6.9m |
| • Learning City | \$0.11m |
| • Ocean Reef Boat Harbour Development | \$1.03m |
| • Sorrento Beach Foreshore Enhancement | \$1.8m |

The City's capital works programme of \$16.6m includes:

- | | |
|-----------------------------|----------|
| • Carry Forward Works | \$ 5.5m |
| • Major Road Construction | \$ 1.55m |
| • Road Preservation | \$ 3.4m |
| • Traffic Management | \$ 2.0m |
| • Major Building Works | \$ 1.2m |
| • Other Miscellaneous Works | \$2.95m |

(For full details refer to the budget papers – Attachments 6 & 9)

Public Participation

Council has a Public Participation Policy and Strategy with the objective of actively involving the community in Council's planning, development and service delivery activities. The Public Participation Strategy emphasizes the requirement for adequate resource allocation to facilitate public participation and to this end Council has allocated \$60,000 in the budget to undertake public participation processes in relation to the following projects:

- Coastal Height Policy
- Review of District Planning Scheme
- Environmental Centre
- Integrated Catchment Plan
- Strategic Plan Review

Reserves

It is proposed that the Performing Arts Facility Reserve be re-titled the Cultural Facility Reserve to more appropriately reflect the intent of this project being for a multi-purpose cultural facility.

The City will transfer the following amounts to various reserves:

- \$3,300,000 will be transferred to the Asset Replacement Reserve, \$500,000 being an allocation of interest and \$2,800,000 being a transfer from the Normalisation Agreement Reserve);
- \$714,802 will be transferred to the Domestic Cart – Refuse Collection Reserve;
- \$134,334 will be transferred to the Heavy Vehicle Replacement Reserve, being capital charges during 2005/06.

- \$2,800,000 will be transferred to the Joondalup Normalisation Reserve in relation to the normalization agreement;
- \$450,000 will be transferred to the Leisure Centres Capital Replacement Reserve being a grant for the Geothermal Bore at Craigie Leisure Centre.
- \$501,139 will be transferred to the Light Vehicles Replacement Reserve, being capital charges during 2005/06.
- \$900,000 will be transferred to the Ocean Reef Boat Launching Facility Reserve of which \$700,000 will be grant funded;
- \$402,034 will be transferred to the Plant Replacement Reserve, being capital charges during 2005/06;
- \$165,000 will be transferred to the Rate Revaluation Reserve;
- \$900,000 will be transferred to the Sorrento Beach Foreshore Enhancement Reserve; being borrowings to complete works;
- \$1,808,564 will be transferred to the Strategic Asset Management Reserve.

Sports and Leisure

The 2005/06 annual budget supports sporting and leisure facilities through its numerous sporting grounds, parks and facilities at Warwick, Craigie, Sorrento and Ocean Ridge. A major re-development of the Craigie Leisure Centre will be completed during 2005/06. The current project is budgeted to cost \$10.3m, when finally completed.

Triennial Revaluation

The Valuer General has undertaken a revaluation of all properties within the district, which indicates that the gross rental values of residential properties have increased by an overall average of 7.2% and Commercial/Industrial have increased by an average of 12.3% during the last 3 years. Properties that have experienced a larger than average increase in value during this time will have an increase above the general 4.75% increase in rates.

Council will increase its rates by 4.75%. The rate increase means that since the creation of the City of Joondalup in July 1998, the consumer price index has increased by 26.8% and the City has increased its rates by only 19.89% during the same period. The difference being cost increases absorbed by the City and not passed on to ratepayers. The average residential rates (excluding refuse charge) within the City is \$703 (2004/05 \$641).

At the Council meeting held on 19 July 2005 questions were raised during public question time on whether Council would move away from a minimum rate payment and separate domestic refuse charge.

These questions have been raised and dealt with by Council over the last five years and there is no intention in the 2005/06 Budget to move away from the funding and rating principles adopted by previous Councils and throughout the industry in general.

In summary, the City of Joondalup's 2005/06 annual budget is a balanced budget and sets the foundation for the City to continue a measured and stable growth.

Issues and options considered:

The process for the development of the Annual Budget 2005/06 has involved:

- The identification of longer term directions for financial management of income and expenditure following a rigorous analysis and consideration of Council's current financial position, and
- The establishment of financial parameters for the 2005/06 financial year including consideration of rating income, grants income and other income, and likely demands on expenditure.

Link to Strategic Plan:

Outcome: The City of Joondalup is a sustainable and accountable business
Objective: To manage the business in a responsible and accountable manner
Strategies: Ensure financial viability and alignment to the Plan

Strategic Implications:

The Budget is consistent with the strategic directions espoused by Council in its Strategic Plan and in the 2005/06 to 2008/09 Strategic Financial Plan.

Legislation – Statutory Provisions:

The accompanying Budget for 2005/06 has been prepared in accordance with the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards.

Risk Management considerations:

Maintaining financial sustainability is important in order to avoid the impact on the local community of disruptive spending cuts or rate increases, and to ensure fairness in the rating budget between current and future ratepayers.

When setting the Annual Budget Council is exposed to financial risk over the long term if little regard is given to both revenue and expenditure issues beyond the budget period.

Financial/Budget Implications:

Detailed in Budget Papers.

Policy implications:

Council's Policy 2.4.5 Budget Timetable states that in order to achieve a transparent, planned and coordinated budget the process should link with the City's Strategic Plan and Strategic Financial Plan and should involve opportunities for input from all stakeholders.

Regional Significance:

N/A

Sustainability implications:

Council has as a key financial objective, the long-term financial sustainability of the City of Joondalup in order to give it the capacity to achieve its key corporate objectives as specified in the Strategic Plan. The Strategic Financial Plan 2005/06 – 2008/09 has set the parameters for the Annual Budget and has been developed to ensure that current operating trends, including the rate of growth for each revenue and expenditure item, are sustainable.

Consultation:

The draft Budget 2005/06 is based on the Strategic Financial Plan for 2005/2006 to 2008/2009, which was made available for public comment from 21 May 2005 to 20 June 2005.

It is also proposed that a series of 'budget briefing breakfasts' be held for key stakeholders, and the business community to provide further information on the 2005/06 budget.

COMMENT

The process for the development of the 2005/06 budget has been significantly improved. The preparation of the budget within a long-term strategic financial planning framework has resulted in a more rigorous approach to the development of the Annual Budget, and greater linkages between Council's long-term objectives. In relation to the development of the Strategic Financial Plan and the Annual Budget, Council has complied with the following principles:

- Improving and managing financial risks relating to debt, assets and liabilities;
- Provision of reasonable stability in the level of rate burden;
- Consideration of the financial impacts of Council decisions on future generations; and
- Provision of accurate and timely disclosure of financial information.

The 2005/06 budget process has resulted in Council taking a more business-like and sustainable approach to the development of services as well as the timing of appropriate capital works and council projects, and will assist in improving Council's capacity to live within its means.

Next Steps

An Organisational Review is currently being conducted. The Review is undertaking an analysis of:

- Service Delivery
- Organisational Development, and
- Process Improvement

The Organisational Review Project aims to establish whether the goals and resources of the City are appropriately aligned to the strategic direction, and monitored through the appropriate performance management measures.

A Financial Review Task Force has also been convened by the CEO as part of a continuous focus on financial management. The Task Force will focus on:

- Detailed analysis of Programs
- Value for Money
- Efficiencies, and
- Future Income Streams

The Strategic Plan is being reviewed in 2005/06 and will be developed over a 20-year time horizon and will align with the Strategic Financial Plan that is also being developed over a 20-year time horizon.

A Strategic Asset Plan is being developed for all of the City's assets, including its buildings, to effectively manage their future use and replacement. This will entail the integration of financial, technical, economic and social data against the assessment of the condition of each asset. The City plans to set aside funds for the future replacement of these assets and these costs will be reflected in the Strategic Financial Plan currently being developed over a 20-year horizon.

ATTACHMENTS

Attachment 1 -grey	2005/06 Operating Statement by Programme
Attachment 2 -grey	2005/06 Statement of Cash Flows
Attachment 3 - grey	2005/06 Rate Setting Statement
Attachment 4 - grey	2005/06 Statement of Rating Information
Attachment 5 - blue	Notes to and Forming Part of the Budget
Attachment 6 - yellow	2005/06 Capital Works Program
Attachment 7 - mauve	2005/06 Council Projects
Attachment 8 - green	2005/06 Proposals (New)
Attachment 9 - pink	2005/06 Carry Forward Capital Works
Attachment 10 - buff	2005/06 Carry Forward Proposals
Attachment 11 - grey	2005/06 Carry Forward Council Projects
Attachment 12 - gold	2005/06 Carry Forward Unspent Grants
Attachment 13 - blue	Carry Forward Motor Vehicle & Plant Replacement
Attachment 14- lemon	Motor Vehicle and Plant Replacement Program
Attachment 15 - turquoise	2005/06 Reserve Account Balances
Attachment 16 - white	2005/06 Schedule of Fees & Charges

VOTING REQUIREMENTS

Absolute majority.

RECOMMENDATION

That Council BY AN ABSOLUTE MAJORITY, ADOPTS the annual budget for the City of Joondalup for the year ending 30 June 2006, incorporating:

1 Budget Statements:

- (a) **2005/06 Operating Statement by Programme (refer Attachment 1/grey)**
- (b) **2005/06 Statement of Cash Flows (refer Attachment 2/grey)**
- (c) **2005/06 Rate Setting Statement (refer Attachment 3/grey)**
- (d) **2005/06 Statement of Rating Information (refer Attachment 4/grey)**
- (e) **Notes to and Forming Part of the Budget (refer Attachment 5/blue)**
- (f) **Supplementary Information:**
 - (i) **2005/06 Capital Works Program (refer Attachment 6/yellow);**
 - (ii) **2005/06 Council Projects (refer Attachment 7/mauve);**
 - (iii) **2005/06 Proposals (New) (refer Attachment 8/green);**
 - (iv) **2005/06 Carry Forward Capital Works (refer Attachment 9/pink)**
 - (v) **2005/06 Carry Forward Proposals (refer Attachment 10/buff)**
 - (vi) **2005/06 Carry Forward Council Projects (refer Attachment 11/grey)**
 - (vii) **2005/06 Carry Forward Unspent Grants (refer Attachment 12/gold)**
 - (viii) **Carry Forward Motor Vehicle & Plant Replacement (refer Attachment 13/blue)**

- (ix) Motor Vehicle and Plant Replacement Program (refer Attachment 14/lemon)
- (x) 2005/06 Reserve Account Balances (refer Attachment 15/turquoise)
- (xi) 2005/06 Schedule of Fees & Charges (refer Attachment 16/white)

2 Rates:

- (a) In accordance with the provisions of Sections 6.32 and 6.33 of the Local Government Act 1995 SETS the general rates in accordance with the following tables:

(i) **General Rates – Gross Rental Value and Minimum Payment**

In accordance with the provisions of Section 6.32 and 6.35 of the Local Government Act 1995, IMPOSES the 2005/06 Gross Rental Value Rates and Minimum Payment on each Residential, Commercial / Industrial Lot or other piece of rateable land as follows:

<u>Rating Zones – Gross Rental Value</u>	Gross Rental Value Rates (cents in dollar)	Minimum Payment \$
Residential Zones – Improved	6.942	505
Residential Zones - Not Improved	6.942	505
Commercial Zones – Improved	6.942	505
Commercial Zones - Not Improved	6.942	505
Industrial Zones – Improved	6.942	505
Industrial Zones - Not Improved	6.942	505

- (ii) SETS the General Rates – Unimproved Value Rates and Minimum Payment in accordance with the provisions of Section 6.32 and 6.35 of the Local Government Act 1995, imposes the 2005/06 Unimproved Value Rates and Minimum Payments on each Residential and Rural Lot or other piece of rateable land as follows:

<u>Rating Zones – Unimproved Values</u>	Unimproved Value Rates (cents in dollar)	Minimum Payment \$
Residential Zones	0.5426	505
Rural Zones	0.5426	505

- (b) In accordance with the provisions of Section 6.32 and Section 6.37 of the Local Government Act 1995 IMPOSES a Specified Area Rate of 0.54932 cents in the dollar for the Harbour Rise Area, for the purposes of maintaining enhanced landscaping which will be applied during 2005/06, bounded by:

- Going north along Whitfords Avenue and following the boundaries of Whitfords Avenue where this meets lots 331-333,337-334,378,377,403,402,376-367 and lot 9003.
- Along the boundary of lot 9003 where it meets Angove Drive, across Mallorca Avenue and following the boundaries of lot 251 & 250 where they meet Angove Drive.

- Following the front boundaries of lots 250,249,409,410,247,245-240,411 Ewing Drive, following the right hand side boundary of lot 408 Marbella Drive to where it meets Ewing Drive and then across Ewing Drive up the left hand side boundary of lot 201 Marbella Drive and along the rear boundaries of lot 1 Ewing Drive and lots 200-198 Marbella Drive.
 - Along the right hand side boundary of lot 198 across Marbella Drive and continuing along the rear boundaries of lots 197-190 Algarve Way, down the right hand side boundary of lot 184 Tobago Rise, across Tobago Rise and the rear boundary of lot 1 The Corniche, continuing along the rear boundaries of lots 75-66 The Corniche and lots 142-149 The Corniche. Along the rear boundary of lot 150 The Corniche until the left hand side boundary of lot 166 Lukin Road is reached. Along the left hand side boundary of lot 166 Lukin Road, along the rear boundaries of lots 166-164 Lukin Road. Down the right hand side boundary of lot 164 Lukin Road where it meets Hepburn Ave and continue along Hepburn Ave along the rear boundaries of Leeward Park until Amalfi Drive is reached.
 - Along Amalfi Drive on the left hand side boundary of Leeward Park and the front boundaries of lots 13-17 Amalfi Drive, across Antigua Road and along the front boundaries of lots 140-138, continuing left around the roundabout at Azzuro Crescent and left into Tenerife Boulevard. Along the front boundaries of lots 289-282 Tenerife Boulevard across Azores Way and across the front boundaries of lots 328-331.
- (c) In accordance with the provisions of Sections 6.32 and 6.37 of the Local Government Act 1995 IMPOSES a Specified Area Rate of 0.262984 cents in the dollar for the Iluka area bounded by Shenton Avenue, Marmion Avenue, Burns Beach Road and the Foreshore Reserve for the purposes of maintaining enhanced landscaping which will be applied during 2005/06.
- (d) In accordance with the provisions of Section 6.32 and Section 6.37 of the Local Government Act 1995 IMPOSES a Specified Area Rate of 1.2081 cents in the dollar for the Woodvale Waters area bounded by Timberlane Drive and Yellagonga Regional Park for the purposes of maintaining enhanced landscaping which will be applied during 2005/06.

3 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, IMPOSES 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

4 Domestic Refuse Charges:

In accordance with the provisions of Part IV Division 4 of the Health Act 1911 (as amended), IMPOSES the following domestic refuse charges for the 2005/06 financial year:

(a) Per existing unit serviced	\$155.00
(b) Additional Service	\$170.50 (inclusive of GST)
(c) Collection from within the property boundary	\$46.20 (inclusive of GST)
(d) New Refuse Service - Purchase and delivery of bin	\$40.60 (inclusive of GST)
(e) Optional Recycling Cart – purchase of cart	\$84.70 (inclusive of GST)
(f) Optional Recycling Cart - sort and collection service	\$35.20 (inclusive of GST)

5 Private Swimming Pool Inspection Fees:

In accordance with the provisions of the Local Government (Miscellaneous Provisions) Act 1960, Section 245A (8), IMPOSES for the 2005/06 financial year, a Private Swimming Pool Inspection Fee of \$13.75 (inclusive of GST) for each property where there is located a private swimming pool.

6 Discount and Early Payment Incentives:

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 payment of rates and charges:

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) within 28 days of the issue date on the annual rate notice:

- a 2.5% discount on 2005/06 general rates only; and
- eligibility to enter the early incentive draw for the following prizes (none of which is a cost to the ratepayers of the City).

Major Prizes:

First Prize:

- \$3000 Bank Account donated by Westpac Banking Corporation

Second Prize:

- \$1000 Shopping Spree Voucher donated by Lakeside Shopping City

Third and Fourth Prize:

- \$500 Bank Account donated by Bendigo Bank
- \$500 cash prize donated by Mortgage Choice Joondalup

Other Prizes

- **One-year membership to City of Joondalup Leisure Centres valued at \$625.**
- **Two nights accommodation in a luxury spa apartment at Sorrento Beach Resort valued at \$435.**
- **Two nights accommodation in a 2 bedroom superior apartment at Seashells Serviced Apartments Scarborough valued at \$420.**
- **Overnight Delight Package at the Tradewinds Hotel valued at \$240.**
- **Overnight accommodation in a Lakeview Room at Joondalup Resort valued at \$229.**
- **\$100 voucher to Leapfrogs Café and three Family Passes to Botanic Golf from Wanneroo Botanical Gardens and Leapfrogs Café valued at \$217.**
- **One of 10 Ultimate Party Packs from the Great Escape valued at \$185 each. (Total value \$1850.00)**
- **One Family Ocean Pass from AQWA valued at \$160.**
- **One night accommodation in a standard family cabin from Aspen Parks valued at \$150.**

7 Payment Options:

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 charge and 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 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), emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST) and 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 fees (inclusive of GST) and instalment charge, payable 63 days after the due date of 1st instalment.

- **Four Instalments**

The first instalment of 25% of the total current rates (including specified area rate), emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST) and instalment charge, plus the total outstanding arrears payable within 35 days of date of issue of the annual rate notice.

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
- 3rd instalment 63 days after due date of 2nd instalment
- 4th instalment 63 days after due date of 3rd instalment

8 Late Payment Interest

In accordance with the provisions of Section 6.13 and 6.51 of the Local Government Act 1995, IMPOSES interest on all current and arrears general rates (including specified area rates), 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% per annum, calculated on a simple interest basis on arrears amounts which remain unpaid and current 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 the instalment is paid. Excluded are deferred rates, 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.

9 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 of 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.

10 Instalment and Arrangements Administration Fees & Interest Charges:

- (a) In accordance with the provisions of Section 6.45 of the Local Government Act 1995, for the 2005/06 financial year, IMPOSES the following administration fees and interest charges for payment of rates (including specified area rates), domestic refuse charge and private swimming pool inspection fees (inclusive of GST):

(i) Two Instalment Option

An administration fee of \$8.00 for instalment two, together with an interest charge of 5.5% per annum, calculated on a simple interest basis on:

- 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.

(ii) Four Instalment Option

An administration fee of \$8.00 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 rate), emergency service 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;
- 50% of the total current general rate (including specified area rate), emergency service 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 service 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.

(iii) Special Payment Arrangements

Special monthly or fortnightly arrangements are available 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 the 36th day after the issue of the annual rate notice) to the outstanding balance until the account is paid in full.

- (b) In accordance with the provisions of Section 6.49 of the Local Government Act 1995, AUTHORISES the Chief Executive Officer to enter into special payment agreements with ratepayers for the payment of rates (including specified area rates), emergency services levy, domestic refuse charge (inclusive of GST where applicable) and private swimming pool inspection fees (inclusive of GST) during the 2005/06 financial year.**

- 11 The Performing Arts Facility Reserve be renamed the Cultural Facility Reserve and this also be reflected in the narrative covering the purpose of the reserve.**
- 12 Transfers From Reserves:**
- (a) Transfers from the Asset Replacement Reserve an amount of \$6,954,426 for the construction of a depot facility;**
 - (b) Transfers from the Community Facilities Reserve an amount of \$160,000 for expenditures to be undertaken in relation to the Currambine Community Facility;**
 - (c) Transfers from the Domestic Cart - Refuse Collection Reserve an amount of \$25,000 to be transferred to Accumulated Surplus to prepare a Waste Management Strategy.**
 - (d) Transfers from the Heavy Vehicles Replacement Reserve an amount of \$675,000 for the replacement of heavy vehicles;**
 - (e) Transfers from the Hodges Drive Drainage Reserve an amount of \$158,450 for drainage works on Ocean Reef Road.**
 - (f) Transfers from the Joondalup Normalisation Agreement Reserve an amount of \$2,800,000 to the Asset Replacement Reserve for the purchase of land for the Joondalup Works Depot;**
 - (g) Transfers from the Leisure Centres Capital Replacement Reserve an amount of \$3,947,141 for the upgrade of the Craigie Leisure Centre;**
 - (h) Transfers from the Light Vehicles Replacement Reserve an amount of \$878,500 for the replacement of light vehicles;**
 - (i) Transfers from the Ocean Reef Boat Launching Facility Reserve an amount of \$1,030,645 for works on the Ocean Reef Boat Harbour project;**
 - (j) Transfers from the Cultural Facility Reserve an amount of \$1,187,444 for the purchase of land and expenditure associated with the Joondalup Cultural Facility.**
 - (k) Transfers from the Plant Replacement Reserve an amount of \$617,500 for the replacement of plant;**
 - (l) Transfers from the Sorrento Beach Foreshore Enhancement Reserve an amount of \$1,800,000 for works on the Sorrento foreshore;**
 - (m) Transfers from the Specified Area Rating - Harbour Rise Reserve amounts of \$13,051 to undertake works in the Specified Area - Harbour Rise;**
 - (n) Transfers from the Specified Area Rating - Iluka Reserve amounts of \$113,479 to undertake works in the Specified Area – Iluka;**

- (o) Transfers from the Town Planning Scheme 10 (Revoked) Reserve amounts of \$208,678 to undertake works in the Kingsley area.**
- (p) Transfers from the Rate Revaluation Reserve an amount of \$195,000 towards the payment of Revaluation fees.**

Appendices 5, 6 and 7 refer.

To access these attachments on electronic document, click here: [Attach5agn280705.pdf](#)

[Attach6agn280705.pdf](#)

[Attach7agn280705.pdf](#)