

Alan Dancer  
President WCRRA  
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Chief Executive Officer  
City of Joondalup  
PO Box 21  
Joondalup WA 6919

**Attention:** Mr. Clayton Higham

Dear Sir,

**Replacement of the Whitford Community Ratepayers & Recreation Association Bus**

There is one important, over-riding, matter that should not be forgotten when considering a course of action regarding the Whitfords Community bus

- This bus is a community facility that serves a number of different organisations and would be difficult, **and costly**, to replace if it became necessary to cease its operation.
- it is run by volunteers and is a negligible cost to the City of Joondalup.

The current situation is that the bus needs to be replaced and there is sufficient funds held by the Whitford Community Ratepayers & Recreation Association (WCRRA) to cover the difference between the trade-in value and the cost of a new bus. ( **ie. at no cost to the City of Joondalup** ).

There are a number of options that can be considered.

- (A) Continue the current situation of the new bus being licenced, insured and maintained by the City of Joondalup as has happened for the past 25 years.
- (B) Have the City of Joondalup licence, insure and maintain the bus with the WCRRA reimbursing the City with the annual costs of licence, insurance and maintenance ( about \$2000 per year ).
- (C) Have the WCRRA purchase, licence and insure the bus in its name with the City of Joondalup continuing to provide necessary maintenance for a period of time (??? 5 years ) **Note :** This arrangement would be accompanied by the City paying a sum of money to the WCRRA in an endeavour to compensate for the additional expenditure involved.

Of the 3 options above, option (A) is the one that the WRCCA sees as being the best outcome. However, after meeting with Messrs. C. Higham and G. Taylor on 9 January 2006, we have been requested to provide some estimates of financial consideration that would make option (C) a possibility.

**Insurance:** The City can insure the bus in its general policy along with all its other vehicles - this is not possible for the WCRRA. Enquiries to date have shown that many Insurance companies are not interested in insuring the bus with an organisation such as the WCRRA. One company, QBE, have agreed to consider insuring the bus and have quoted \$3311 - we have not seen the final details ( eg. size of any excess payable on claims ) and so are not in a position to confidently say that compensation for this amount would be acceptable. If we accept the figure of \$3311 then that would mean a total of \$16,555 compensation for 5 years insurance.

**Stamp Duty:** The amount of \$6,700 Stamp Duty, as shown in report CJ284 – 12/05 would also need to be included in any compensation amount.

**GST :** The City of Joondalup has calculated an amount of \$8,460 that would need to be paid by WCRRA if a bus was purchased in the name of WCRRA ( **if purchased in the name of the City of Joondalup there would be no GST payable** ). Although some may say that the

WCRRA can apply for a GST exemption - and so, also, be GST exempt on purchasing a new bus, this is not a matter that can be easily resolved. There would be an extra workload on providing quarterly returns and associated office duties ( we must remember that we are dealing with volunteers that may not be either capable, or desirous, of becoming involved in such activities ). There is also the matter that we would be required to charge GST on all hirings and associated charges - an added expense to the community.

Registration: The City has estimated an amount of \$1000 per year for registration ( CJ284 – 12/05 ). Over a 5 year period this amounts to \$5000.

Maintenance: The cost of maintenance has been estimated by the City of Joondalup at \$1870 per year ( excluding insurance and licencing ). If the WCRRA were to take over the full responsibility of paying for maintenance etc. for this bus, then an amount of \$9350 should be included in any figure that would be considered as appropriate compensation.

Totalling the above figures we arrive at a figure of \$46,065 .

**It should be borne in mind that the WCRRA have no wish to take over the ownership of this vehicle.** We are very much aware of the financial problems that will surface after the 5 year period - there is no guarantee that we will be able to afford to replace the bus when that time comes. **The people that will lose out ( if that prediction proves true ), will be the community** - junior football and cricket clubs, after school care, Scouts, Guides, Retirees, schools, senior citizens and many other community groups.

Is this what the City of Joondalup is seeking ???

The current situation costs the City of Joondalup around \$2700 per year - virtually nothing. We are providing a much needed community facility that, if it had to be provided by the City, would cost a great deal more than that.

We have been advised that the City wishes to cease it's involvement because of some principle that you do not see yourselves as being in the business of sponsoring such activities. Take a look at your Vision and Mission Statements in the Annual Report 2004 – 2005. Your Corporate Values says that you will be “ ....dynamic and flexible”, “We will work with stakeholders to create a vibrant City centre **and community**”, “We will promote a sense of community spirit ...”, “We will acknowledge community and individual opinions”, “We will respect community and individual contributions”.

To summarise, the WCRRA does not want to see any change from the current situation. If we are forced to accept a departure from the current situation then a minimum financial consideration would be \$46,065 - payable in one amount as soon as possible.

As this matter has been dragging on for well over a year we would appreciate your early consideration .

Yours sincerely

( Alan Dancer )  
President WCRRA  
18 January 2006