

*Financial Activity Statement For  
The Period Ended  
31 January 2006*

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### Material Variances

For the financial year ended 30 June 2006, Council has adopted a variance amount of \$50,000 or 5% of the appropriate base, whichever is higher, to be a material variance.



## Financial Activity Statement for the period ended 31 January 2006

	Note	Adopted Budget	YTD Budget	YTD Actual	Variance	Variance %
		\$	\$	\$	\$	%
<b>OPERATING REVENUE</b>						
Rates		48,494,368	48,394,368	48,516,959	122,591	0
Rates - Specified Area		116,592	116,592	116,844	252	0
Government Grants & Subsidies	1	9,024,744	4,604,552	3,453,333	(1,151,219)	(25)
Contributions, Reimbursements and Donations	2	8,475,736	1,575,100	5,017,252	3,442,152	219
Profit on Asset Disposal		74,596	72,337	69,078	(3,259)	(5)
Fees & Charges	3	16,080,136	13,702,122	12,776,393	(925,729)	(7)
Interest Earnings	4	2,248,000	1,407,418	2,082,256	674,838	48
Other Revenue		126,000	73,500	102,634	29,134	40
		84,640,172	69,945,989	72,134,749	2,188,760	3
<b>OPERATING EXPENDITURE</b>						
Employee Costs	5	30,632,013	17,753,539	15,761,878	1,991,661	11
Materials & Contracts	6	26,494,915	15,493,656	13,858,579	1,635,077	11
Utilities (Gas, Electricity, Water etc)	7	3,164,388	1,837,081	1,675,028	162,053	9
Depreciation on Non Current Assets		15,030,810	8,767,962	8,829,157	(61,195)	(1)
Loss on Asset Disposal	8	260,485	137,802	78,696	59,106	43
Interest Expense		0	0	248	(248)	100
Insurance Expenses		939,272	547,001	541,260	5,741	1
Other Expenses		45,000	26,250	55,390	(29,140)	(111)
		76,566,883	44,563,291	40,800,236	3,763,055	8
<b>SURPLUS/(DEFICIT) FROM OPERATIONS</b>		8,073,289	25,382,698	31,334,513	5,951,815	23
<b>CAPITAL EXPENDITURE</b>						
Purchase of Land		0	0	0	0	0
Purchase of Buildings		0	0	0	0	0
Purchase of Artworks		20,000	10,000	44,750	(34,750)	(348)
Purchase of Furniture & Equipment	9	1,814,878	1,130,067	134,942	995,125	88
Purchase of Vehicles & Plant	10	3,517,000	2,518,000	1,154,770	1,363,230	54
Acquired Infrastructure Assets		3,750,000	0	0	0	0
Construction of Infrastructure Assets	11	33,042,758	17,360,594	10,273,557	7,087,037	41
<b>SUB TOTAL CAPITAL EXPENDITURE</b>		42,144,636	21,018,661	11,608,019	9,410,642	45
<b>SURPLUS/(DEFICIT) FROM OPERATIONS AND CAPITAL EXPENDITURE</b>		(34,071,347)	4,364,037	19,726,494	15,362,457	352
<b>Adjustments for Non-Cash Movements</b>						
Depreciation on Assets		15,030,810	8,767,962	8,829,157	61,195	1
Loss on Disposal	8	260,485	137,802	78,696	(59,106)	(43)
Profit on Disposal		(74,596)	(72,337)	(69,078)	3,259	(5)
					0	0
<b>Adjustments for Other Cash Movements</b>						
Proceeds from Disposal	12	1,265,000	884,300	563,945	(320,355)	(36)
Loan funds		900,000	0	0	0	0
Loan repayments (principal)		(228,493)	112,605	112,605	0	0
					0	0
Funded From					0	0
Transfers from Reserves	13	20,764,314	1,747,700	3,043,500	1,295,800	74
Transfers to Reserves	14	(12,075,873)	(605,199)	(4,141,863)	(3,536,664)	584
Opening Funds		8,229,698	8,229,698	8,220,279	(9,419)	(0)
Closing Funds		(2)	23,566,568	36,363,736	12,797,168	54

# Capital Expenditure Summary

Appendix B

CITY OF JOONDALUP  
January-06

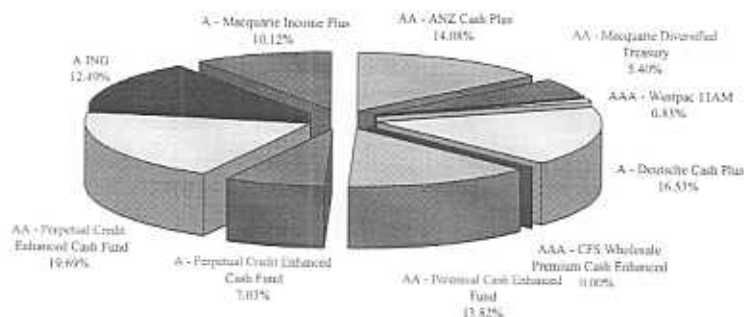
	Note	Adopted Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
Capital Expenditure						
Computer & Computer Equipment	9	1,508,793	1,029,127	107,649	921,478	90
Furniture & Office Equipment		134,985	20,940	27,293	(6,353)	(30)
Heavy Vehicles	10	980,000	735,000	163,840	571,160	78
Light Vehicles	10	1,795,000	1,308,000	845,963	462,037	35
Mobile Plant	10	742,000	475,000	144,967	330,033	69
Plant & Equipment	9	171,100	80,000	0	80,000	100
Artifacts & Artworks		20,000	10,000	44,750	(34,750)	(348)
Parks & Reserves Infrastructure		105,000	0	0	0	0
Roads Infrastructure		2,450,000	0	0	0	0
Footpaths Infrastructure		235,000	0	0	0	0
Drainage Infrastructure		785,000	0	0	0	0
Car Parking Infrastructure		0	0	0	0	0
Other Engineering Infrastructure		175,000	0	0	0	0
Capital Expenditure Total		9,101,878	3,658,067	1,334,462	2,323,605	64



# Capital Works Summary

CITY OF JOONDALUP  
January-06

	Note	Adopted Budget	YTD Budget	YTD Spend Actual	Variance	Variance
		\$	\$	\$	\$	%
Capital Works						
Joondalup Council Depot	11	6,954,426	67,426	3,600	63,826	95
Craigie Leisure Centre Refurbishment	11	3,947,141	3,932,141	3,523,642	408,499	10
Joondalup Cultural Facility	11	1,187,444	1,085,000	0	1,085,000	100
Sorrento Beach Project	11	1,800,000	1,028,560	191,900	836,660	81
Ocean Reef Boat Harbour	11	1,030,645	230,000	1,279	228,721	99
Learning City		110,000	38,333	0	38,333	100
Currambine Community Centre		160,000	0	7,835	(7,835)	100
Road Resurfacing	11	4,496,679	2,759,901	1,590,643	1,169,258	42
Joondalup Drive Development	11	1,102,384	1,102,384	895,378	207,006	19
Burns Beach Road Development	11	1,500,000	500,000	6,264	493,736	99
Ocean Reef Road Development	11	1,660,664	1,660,664	1,774,357	(113,693)	(7)
Other Roadworks	11	56,199	56,199	3,310	52,889	94
Traffic Management	11	2,360,457	1,022,124	594,503	427,621	42
Drainage	11	884,067	497,069	111,178	385,891	78
Street Lighting	11	338,516	86,580	25,258	61,322	71
Streetscape Enhancement		19,223	7,406	15,825	(8,419)	(114)
Shared Paths/Bicycle Facilities	11	285,606	132,306	17,391	114,915	87
Footpaths		364,800	220,460	196,930	23,530	11
Parking Facilities		372,100	56,600	70,660	(14,060)	(25)
Library Building Works	11	562,247	358,047	226,629	131,418	37
Administration Building Works	11	917,516	816,201	337,189	479,012	59
Other Building Works	11	873,731	647,551	145,622	501,929	78
Foreshore Protection	11	459,991	309,991	209,082	100,909	33
Sporting Facilities	11	399,366	151,648	28,564	123,084	81
Playground Equipment	11	337,236	219,816	87,601	132,215	60
Parks & Reserves Enhancement	11	862,320	374,187	208,916	165,271	44
Capital Works Total		33,042,758	17,360,594	10,273,557	7,087,037	41

**City of Joondalup - Investment Balances**


Investment Account	Funds Held
	\$
AA - ANZ Cash Plus	8,708,323
AA - Macquarie Diversified Treasury	3,338,423
AAA - Westpac 11AM	516,015
A - Deutsche Cash Plus	10,223,359
AAA - CFS Wholesale Premium Cash Enhanced	-
AA - Perpetual Cash Enhanced Fund	8,546,033
A - Perpetual Credit Enhanced Cash Fund	4,348,092
AA - Perpetual Credit Enhanced Cash Fund	12,178,381
A ING	7,726,684
A - Macquarie Income Plus	6,256,609
<b>Total Funds held in AA + A Investments</b>	<b>61,841,919</b>

<b>Total</b>	<b>61,841,919</b>
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Amount included in total funds invested that relate to reserves:

\$	23,159,119
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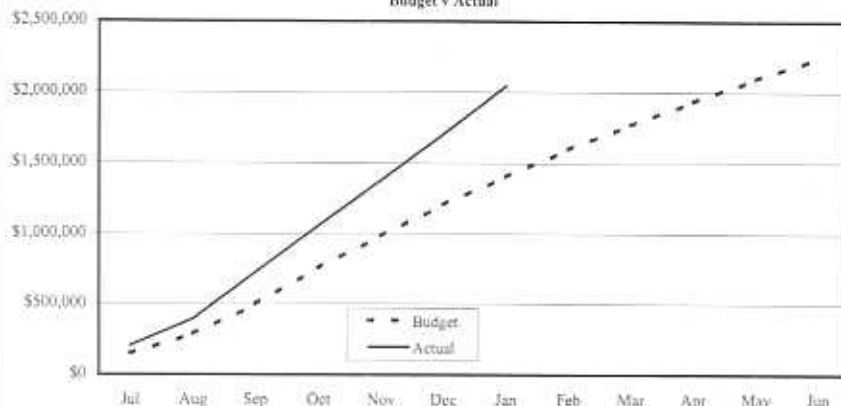
**Other Comments**

Investments are in accordance with Council Policy. Maximum investment with any one institution

No breach of Council Policy 2.4.2 has occurred during the month.

'A' not to exceed 40%

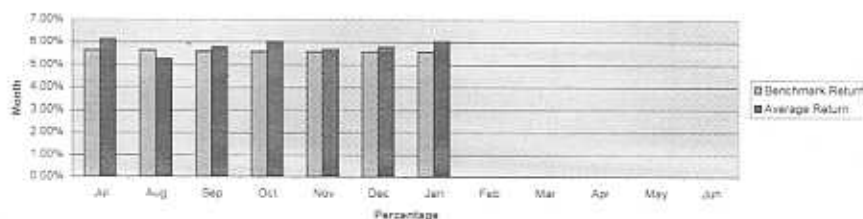
'AA' not to exceed 50%

**Interest on Investments 2005/06  
Budget v Actual**

**Return on Investments**

<b>Year to Date Interest:</b>	<b>Budget</b>	<b>Actual</b>
	\$1.407m	\$2.082m

Average return for the portfolio:	5.98%
Benchmark return:	5.76%

The Benchmark is the UBSWA Bank Bill Index (a 90 day index of bank bill returns)

**Return on Investments**


**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT**  
**FOR THE PERIOD ENDED ON 31 JANUARY 2006**

**1 Government Grants & Subsidies**

The details of the year to date variance for government grants and subsidies are as follows: -

	Budget	Actual	Variance
a) Black Spot Funding	\$246k	\$267k	\$22k
b) Roads to Recovery Program	\$415k	\$0k	(\$415k)
c) Metro Regional Road Program	\$681k	\$518k	(\$163k)
d) Roadwise	\$0k	\$23k	\$23k
e) Healthways	\$0k	\$27k	\$27k
f) Thermal Bore	\$450k	\$0k	(\$450k)
g) Ocean Reef Marina	\$180k	\$0k	(\$180k)
h) Other	\$2,633k	\$2,618k	(\$15k)
	<u>\$4,605k</u>	<u>\$3,453k</u>	<u>(\$1,151k)</u>

- a) The Black Spot projects were completed earlier than budgeted, and the grants for these projects were able to be claimed earlier, **\$22k**.
- b) The Roads to Recovery projects are still currently in progress. These projects will need to be completed before the remaining grant funds can be claimed, **\$415k**.
- c) The Metro Regional Road projects are still currently in progress. The remaining grant funds of **\$163k** will be received once these projects have been completed.
- d) Non-budgeted Roadwise grant received of **\$23k** to fund purchase of road safety equipment.
- e) The Healthways grant variance of **\$27k** is due to budget phasing and will be resolved in February/March.
- f) Finalisation of the refurbishment of the Craigie Leisure Centre has been delayed as a result of difficulties associated with the geothermal bore. The grant for the geothermal bore cannot be claimed until after completion of this project, **\$450k**.
- g) The Ocean Reef Marina structure plan process is expected to commence early in 2006. The City is currently negotiating the timing of the receipt of the grant funds with the Department of Planning and Infrastructure, **\$180k**.

## 2 Contributions, Reimbursements and Donations

Under the Joondalup normalisation agreement the City was to receive a contribution of **\$2.8m** from Landcorp to be used for the purchase of land for the Joondalup Depot site. Due to a delay in resolving the payment of the contribution the City has negotiated interest on the contribution amount, **\$648k**.

## 3 Fees and Charges

The details of the year to date variance for fees and charges are as follows: -

	Budget	Actual	Variance
a) Rates Fees and Charges	\$602k	\$736k	\$134k
b) Fees and Licences	\$1,712k	\$1,734k	\$22k
c) Service Fees and Charges	\$1,705k	\$1,112k	(\$593k)
d) Sale of Miscellaneous Items	\$562k	\$53k	(\$509k)
e) Other	\$9,121k	\$9,141k	\$20k
	<u>\$13,702k</u>	<u>\$12,776k</u>	<u>(\$926k)</u>

- a) Additional revenue received was from rates instalment charges, **\$90k** and interest on outstanding rates, **\$44k**.
- b) The City budgeted to receive **\$496k** from Building Licences, but received only **\$408k**. This is the result of a reduced number of building applications, but it is expected to be on budget by year end as several large projects are in development. This was offset by cash in lieu of public parking funds received of **\$97k** and cash in lieu of public open spaces of **\$17k**, which were not budgeted for.
- c) Delays in opening the Craigie Leisure Centre have resulted in reduced revenue in the following areas;

• user fees,	\$263k
• learn to swim program fees,	\$85k
• other membership fees,	\$112k
• personal training	\$22k
• hire of facilities	\$63k
• term programme activities	\$29k
	<u>\$574k</u>

The shortfall in revenue for the leisure centre is partially offset by savings in salaries, uniforms and advertising, detailed in the relevant expenditure section of these notes.

In addition tennis court hire fees has been overestimated and has been adjusted in the half year review, **\$26k**.

- d) The sale of a portion of Lot 3 (5) Trappers Drive and associated easements was budgeted as a miscellaneous sale in August for **\$470k**, but has been delayed and



the City is awaiting confirmation of the settlement date. It is noted that this item should have been budgeted as Disposal of Asset. The reporting line has been adjusted in the budget review. In addition sale of merchandise for Craigie Leisure Centre was under budget by **\$44k** due to delays in the opening date for the aquatic refurbishment.

#### 4 Interest Earnings

The City received a YTD portfolio return of **5.98%**, compared to budgeted return of **5.50%**, resulting in increased revenue of **\$123k** attributable to the higher rate of interest. The average balance of funds invested was **\$58.3m** compared to the budgeted amount of **\$43.4m**, resulting in additional revenue of **\$552k**.

#### 5 Employee Costs

The details of the underspend in employee costs are as follows:-

a) 2005/06 Establishment vacancies	\$1,635k
b) 2005/06 New project positions	\$388k
c) Staff Training	\$101k
d) Advertising- staff vacancies	(\$41k)
e) Other	(\$91k)
	<u>\$1,992k</u>

- a) Cumulative effect of vacancies within the approved establishment. These vacancies are a combination of longer term unfilled positions and shorter term vacancies.
- b) Delays have occurred in the Spatial Data Management and ranger services projects due to the organisational review. Recruitment of the 3 man mowing crew has been deferred awaiting the award of the tender for purchase of associated plant equipment.
- c) The underspend in staff training is due to restriction on expenditure while a review of staff training plans was undertaken.
- d) The advertising variance is primarily due to an increased number of vacancies advertised this financial year.
- e) Other includes year to date variances in relation to contract/agency labour costs.

## 6 Materials & Contracts

The details of the underspend in materials and contracts are as follows:-

	Budget	Actual	Variance
a) Consultancy and Contractors	\$1,435k	\$245k	\$1,189k
b) Minor Furniture and Equipment	\$497k	\$571k	(\$74k)
c) Professional Fees and Costs	\$806k	\$680k	\$126k
d) Administration	\$860k	\$688k	\$172k
e) Public Relations & Corporate	\$225k	\$161k	\$64k
f) Member Costs	\$189k	\$137k	\$52k
g) Service Charges from Other Councils	\$2,512k	\$2,359k	\$153k
h) Contributions and Donations	\$567k	\$515k	\$52k
i) Materials	\$4,848k	\$4,957k	(\$109k)
j) Other	\$3,555k	\$3,545k	\$10k
	<u>\$15,494k</u>	<u>\$13,858 k</u>	<u>\$1,635k</u>

- a) Consultancy and Contractors was budgeted at **\$1,435k**, but spent only **\$245k** for the year to date. A revised centralised process has been introduced in relation to the commissioning of consultants and the variance attributable to this, **\$433k** may proportionately be reduced during the remaining period of the year. A number of new projects, including Council Elections, have been phased to commence in January with payments to occur from February, **\$738k**.
- b) Minor Furniture and equipment was budgeted for at **\$497k** but **\$571k** has been spent year to date, due primarily to computer equipment originally budgeted as capital expenditure being purchased as operating due to items individually costing less than \$2k, **\$211k**.

Projects within the libraries, which were initially delayed due to sub-branding are expected to be finished in March/April, **\$79k**.

Hire of equipment for the Craigie Leisure Centre has been underspent by **\$55k**, due to delays in re-opening the centre.

- c) The panel inquiry had budgeted year to date expenditure for legal fees of **\$378k**, but actual expenditure totaled **\$110k**. The full cost of legal expenses for the inquiry will be known in due course. This is offset by valuation fees, which were budgeted for **\$274k** but totaled **\$444k**.
- d) The year to date budget for printing was **\$227k**, however only **\$109k** was spent, Craigie Leisure Centre publications are anticipated to be completed when the facility is re-opened; the production of the Youth Financial Counselling notebooks for schools; a deferral by libraries relating to sub-branding, which is expected to be resolved in March/April; and to the cancellation of the Community Directory (the funding for the Community Directory, **\$37k**, has been transferred to the sponsorship of the West Perth Football Club).

Advertising had a year to date budget of **\$173k**, but only spent **\$112k**. The variance is due primarily to the budget for the re-opening of the Craigie Leisure Centre, which will be spent when the facility re-opens.

- e) The year to date budget for promotions was **\$157k**, however only **\$83k** was spent. This is due primarily to the following factors:
- The program scope for CBD enhancement being reduced, **\$11k**.
  - The Support for Small Business program has been delayed awaiting the appointment of a Business Development Co-ordinator who will implement the program in February, **\$15k**
  - The program scope for the Seniors Master Plan Implementation being reduced, **\$10k**.
  - Promotions for the Joondalup festival and the City Centre Program had year to date variances of **\$5k** and **\$14k** due to budget phasing.
  - The campaign for City Watch is due to be finalised February/March, **\$10k**.
- f) The year to date budget for member costs was **\$189k** however only **\$137k** was spent. This is primarily due to expenditure on conferences, reimbursements and other miscellaneous expenses being deferred.
- g) The favourable variance is due to below average tonnage caused by seasonal variances and the City is yet to receive the January adjustment for bulk refuse and recycling charges, **\$104k**.
- h) The City has not yet been invoiced for it's contribution toward the installation of traffic lights associated with the introduction of the CBD CAT bus, **\$50k**.
- i) This variance relates to an increase in cost of building materials as a consequence of a general increase in the market place, **\$144k**. This is partially offset by delays in the purchase of trading stock for the Craigie Leisure Centre, **\$30k**.

## 7 Utilities

Electricity has a year to date budget of **\$1,713k**, but actual expenditure was only **\$1,560k**. Wet weather and below average temperatures required less irrigation than anticipated resulting in reduced electricity usage.

## 8 Loss on Asset Disposal

The trade-in of heavy and light vehicles and mobile plant has been delayed due to a review of internal administration procedures for the trade-in of vehicles under the State Government common use contract. It is expected that vehicles being replaced will begin being disposed of in early 2006, **\$59k**.

## 9 Purchase of Furniture and Equipment

The underspend is due primarily to information technology and other projects as follows:-

	Budget	Actual	Variance
a) Payroll System	\$250k	\$0k	\$250k
b) Network Infrastructure Upgrade	\$200k	\$0k	\$200k
c) Corporate PC and Notebook Replacement Program	\$120k	\$36k	\$84k
d) Equipment for Three Man Mowing Crew	\$80k	\$0k	\$80k
e) Two Way Radio System	\$98k	\$0k	\$98k
f) Document Management System	\$100k	\$0k	\$100k
g) Network Infrastructure	\$140k	\$0k	\$140k
h) Other	\$142k	\$98k	\$43k
	<u>\$1,130k</u>	<u>\$134k</u>	<u>\$995k</u>

- a) The budget comprises an approved tender for the new HR/Payroll system, **\$205k** and associated equipment, **\$45k**. Implementation will commence in February 2006, with payments to occur from February to June 2006.
- b) Tender specifications for computer room upgrade will be prepared in February 2006 for issue in March 2006. Payments for the project are estimated to be made in June/July 2006, **\$200k**.
- c) All orders have been placed for PCs, notebooks and printers with the exception of **\$84k** of equipment for elected members.
- d) Expenditure on new capital equipment for a three man mowing crew, **\$80k**, has been deferred until April/May.
- e) The Two Way Radio project was budgeted as a capital expenditure item. A mobile phone push to talk solution has been used and all costs incurred will be of an operating nature, **\$75k**. Savings on the project have been adjusted in the half year review, **\$23k**.

- f) This is a timing variance related to the new Document Management System which is expected to go to tender later in the financial year, **\$100k**.
- g) This is a timing variance variance with payments anticipated to be made between March and June 2006 for various items of network equipment, **\$140k**.
- h) Miscellaneous variances are as follows:
- |   |              |
|---|--------------|
| a. Oracle Expansion Project,                        | \$39k        |
| b. 5 year Major IT upgrade,                         | \$25k        |
| c. Pool Equipment set-up for Craigie Leisure Centre | (\$6k)       |
| d. Interior Aesthetics Improvements- Libraries      | (\$11k)      |
|   | <b>\$47k</b> |

#### **10 Purchase of Vehicles and Plant**

The variances associated with the vehicles and plant capital budgets are mainly as a result of deferred purchases pending the outcome of a review of internal administrative procedures of items under the state government common use contracts.

These were offset by the purchase of heavy vehicles, **\$164k**, light vehicles, **\$78k**, and mobile plant, **\$75k** budgeted for in 2004/05 as they was expected to be delivered prior to the end of the financial year. Delivery was delayed due to unforeseen circumstances of the supplier.

## 11 Construction of Infrastructure Assets

The details of the underspend in construction of infrastructure assets are as follows: -

	Budget	Actual	Variance
a) Joondalup Cultural Facility	\$1,085k	\$0k	\$1,085k
b) Road Resurfacing	\$2,760k	\$1,591k	\$1,169k
c) Sorrento Beach Project	\$1,029k	\$192k	\$837k
d) Craigie Leisure Centre Refurbishment	\$3,932k	\$3,524k	\$408k
e) Other Building Maintenance	\$648k	\$146k	\$502k
f) Ocean Reef Road	\$1,660k	\$1,774k	(\$114k)
g) Parks & Reserves	\$374k	\$209k	\$165k
h) Administration Building Maintenance	\$816k	\$337k	\$479k
i) Joondalup Drive	\$1,103k	\$895k	\$207k
j) Traffic Management	\$1,022k	\$595k	\$428k
k) Drainage	\$497k	\$111k	\$386k
l) Foreshore Protection	\$310k	\$209k	\$101k
m) Ocean Reef Marina	\$230k	\$1k	\$229k
n) Playground Equipment	\$220k	\$88k	\$132k
o) Sporting Facilities	\$152k	\$29k	\$123k
p) Burns Beach Road	\$500k	\$6k	\$494k
q) Other Roadworks	\$56k	\$3k	\$53k
r) Street Lighting	\$87k	\$25k	\$61k
s) Joondalup Works Depot	\$67k	\$3k	\$64k
t) Shared Paths/Bicycle Facilities	\$132k	\$17k	\$115k
u) Library Works	\$358k	\$227k	\$131k
v) Other	<u>\$323k</u>	<u>\$292k</u>	<u>\$31k</u>
	\$17,361k	\$10,274k	\$7,087k

- The settlement on the land purchase has been delayed awaiting creation of land title. Council resolved to pay half the costs of construction for the road alongside the Joondalup Cultural Facility development site and the City is currently awaiting invoices. Landscaping works have not yet commenced due to delayed land purchase, **\$1,085k**
- There were delays in commencing the road resurfacing program due to a number of contributing factors including inclement weather and an industry-wide demand for contractors. However the contractor has given a commitment to have completed the program by the end of the financial year, **\$1,169k**.
- Work has commenced on the Sorrento Beach Project, with the remaining progress payments to be made in March/April, **\$837k**.
- Finalisation of the refurbishment of the Craigie Leisure Centre has been delayed as a result of difficulties associated with the geothermal bore. The delays have resulted in an underspend of **\$408k** against the year to date budget.



- e) Construction of the toilet block in the Joondalup City centre has been delayed pending approval by the Western Australian Planning Commission, **\$180k**. The upgrade of plumbing in Neil Hawkins park has been initially delayed due to collection of soil samples and is now in the tender process, **\$141k**. The Iluka Foreshore Toilet Block project has been completed however payment is yet to occur, **\$125k**. Other minor projects have been underspent by **\$56k**.
- f) The Ocean Reef Road development was completed on 31<sup>st</sup> October and was overspent due to variations for lighting, **\$114k**. The overspend on this project will be funded from savings in other roadwork projects.
- g) The City has been experiencing problems regarding the availability of Contractors to install bores and to carry out directional drilling for reticulation purposes. This issue has now been resolved and this programme will be successfully delivered by the end of the financial year, **\$165k**.
- h) A lift replacement was budgeted for the Administration Building and has been estimated to be completed in February/March, **\$195k**. The replacement of air conditioning chillers is in the concept planning stage, **\$80k**, and is estimated to be completed in April/May. In addition the City is carrying out an assessment of existing electrical cabling within the Administration Centre, **\$141k**. Other minor projects have been underspent by **\$63k**.
- i) Negotiations with Western Power regarding final lighting connections have been finalised. It is anticipated that the project will be completed and fully paid for in February, **\$207k**.
- j) The Black Spot project tenders were approved at the December Council meeting and will be finished in March/April, **\$164k**. The City is awaiting invoices for the installation of traffic signals on the Grand Boulevard/Kendrew Crescent intersection, **\$75k**. Several other minor projects have been underspent by **\$189k**.
- k) The City is currently negotiating the final contribution towards main drainage through the Joondalup Gate development, **\$152k** this project has been estimated to be completed in March. Drainage works on Winton Road have been completed but additional expenditure will be spent on fencing and on modifications to accommodate future freeway extensions, **\$60k**. Drainage works on the Yellagonga Regional Park have been delayed pending further investigations into acid sulphate soils, **\$40k**. Other minor projects have been underspent by **\$134k**.
- l) The foreshore protection variance is primarily due to projects being delayed awaiting formalisation of a natural areas management team which is estimated to be appointed in March, **\$101k**.
- m) The Ocean Reef Marina structure plan process is expected to commence in early 2006 with the appointment of the consultant team. Payments in relation to this project will now commence in April/May, **\$229k**.

- n) Installation of new playground equipment began in November. It is anticipated that the installation will be completed and paid for in March, **\$132k**.
- o) There is a delay with Iluka sports floodlighting due to ongoing negotiations with the sports club regarding requirements, **\$74k**. Other minor projects (individually less than **\$18k**) have been underspent by **\$49k**.
- p) The Burns Beach Road Development is still in the concept planning stage, **\$494k**.
- q) The funds for Major Construction Design of Various Roads will be expended on completion of the Burns Beach Road Development, **\$53k**.
- r) Minor improvements to arterial and local road street lighting are carried out on an "as needs" basis throughout the year. To date, minimal works have been required to be carried out in this area, **\$50k**. Other minor projects (individually less than **\$9k**) have been underspent by **\$11k**.
- s) The program and budget for the Joondalup Works Depot project is currently being revised, **\$64k**.
- t) The footpath contractors experienced initial delays due to wet weather conditions but it is expected that these projects will be fully expended by year end, **\$115k**.
- u) The Woodvale Library air conditioner will be advertised for public tender and will be successfully delivered by the end of the financial year, **\$67k**. The Woodvale library desk upgrade project is currently in the pre-construction phase, **\$32k**. Other minor projects have been underspent by **\$32k**.
- v) Other minor projects were overspent in total by **\$31k**.

## **12 Proceeds from Disposal**

The trade-in of heavy and light vehicles and mobile plant has been delayed due to a review of internal administration procedures for the trade-in of vehicles under the State Government contract. It is expected that vehicles being replaced will begin being disposed of in February, **\$417k**.

This was offset by vehicles, which were part of the previous year's vehicle replacement program being disposed of during July this financial year, **\$97k**.



### **13 Transfers from Reserves**

The variance for Transfers from reserves is primarily due to a timing variance in the transfers for the Craigie Leisure Centre which was budgeted for in June 2006 and totalled **\$2.2m**, compared to a year to date budget of **\$0.0m**. This is partially offset by budgeted transfers for heavy and light vehicles and mobile plant, which had a year to date budget of **\$1.1m**, not occurring due to delays in purchases.

### **14 Transfers to Reserves**

Transfers to the Joondalup City Centre Public Parking Reserve comprised unbudgeted cash in lieu of public parking receipts, **\$97k**.

Transfers to the Asset Replacement Reserve total **\$3.448m**: comprising a contribution from Landcorp under the Normalisation Agreement **\$2.8m**, budgeted to be received in June 2006; and **\$648k** interest arising from delays in settling the Normalisation Agreement.