



*Financial Activity Statement for
the Period Ended
31 March 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 March 2006

	Note	Revised Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
OPERATING REVENUE						
Rates		48,409,679	48,349,679	48,640,304	290,625	1
Rates - Specified Area		116,592	116,592	119,284	2,692	2
Government Grants & Subsidies	1	9,013,648	6,389,393	4,778,492	(1,610,901)	(25)
Contributions, Reimbursements and Donations		9,124,102	5,162,061	5,204,892	42,831	1
Profit on Asset Disposal		369,596	72,378	89,078	16,700	23
Fees & Charges		15,497,446	13,830,056	13,677,530	(152,526)	(1)
Interest Earnings	2	2,596,644	2,141,455	2,668,042	526,587	25
Other Revenue		151,321	117,824	111,899	(5,925)	(5)
		85,279,028	76,179,438	75,289,521	(889,917)	(1)
OPERATING EXPENDITURE						
Employee Costs	3	30,046,364	22,132,895	20,492,555	1,640,340	7
Materials & Contracts	4	26,599,077	20,147,852	18,249,438	1,898,414	9
Utilities (Gas, Electricity, Water etc)	5	3,189,388	2,366,912	2,201,363	165,549	7
Depreciation on Non Current Assets		15,030,810	11,273,094	11,338,146	(65,052)	(1)
Loss on Asset Disposal	6	260,485	181,237	78,696	102,541	57
Interest Expense		194,683	140,899	108,104	32,795	23
Insurance Expenses		966,963	729,048	699,417	29,631	4
Other Expenses		54,000	42,750	53,978	(11,228)	(26)
		76,341,770	57,014,687	53,221,697	3,792,990	7
SURPLUS/(DEFICIT) FROM OPERATIONS		8,937,258	19,164,751	22,067,824	2,903,073	15
CAPITAL EXPENDITURE						
Purchase of Land		0	0	0	0	0
Purchase of Buildings		0	0	0	0	0
Purchase of Artworks		20,000	15,000	20,000	(5,000)	(33)
Purchase of Furniture & Equipment	7	1,798,808	1,376,252	221,322	1,154,930	84
Purchase of Vehicles & Plant	8	3,547,000	3,056,000	1,376,290	1,679,710	55
Acquired Infrastructure Assets		3,750,000	0	0	0	0
Construction of Infrastructure Assets	9	32,640,750	21,387,160	12,327,129	9,060,031	42
SUB TOTAL CAPITAL EXPENDITURE		41,756,558	25,834,412	13,944,741	11,889,671	46
SURPLUS/(DEFICIT) FROM OPERATIONS AND CAPITAL EXPENDITURE		(32,819,300)	(6,669,661)	8,123,083	14,792,744	(222)
Adjustments for Non-Cash Movements						
Depreciation on Assets		15,030,810	11,273,094	11,338,146	65,052	1
Loss on Disposal	6	260,485	181,237	78,696	(102,541)	(57)
Profit on Disposal		(369,596)	(72,378)	(89,078)	(16,700)	23
					0	0
Adjustments for Other Cash Movements						
Proceeds from Disposal	10	1,560,000	997,600	583,945	(413,655)	(41)
Loan funds		900,000	0	0	0	0
Loan repayments (principal)		(228,493)	170,133	170,133	0	0
					0	0
Funded From						0
Transfers from Reserves	11	20,777,394	1,910,480	3,043,500	1,133,020	59
Transfers to Reserves	12	(12,723,873)	(778,113)	(4,320,271)	(3,542,158)	455
Opening Funds		8,229,698	8,229,698	8,220,279	(9,419)	(0)
Closing Funds		617,125	15,242,090	27,148,432	11,906,343	78

Capital Expenditure Summary

Appendix B

CITY OF JOONDALUP

March-06

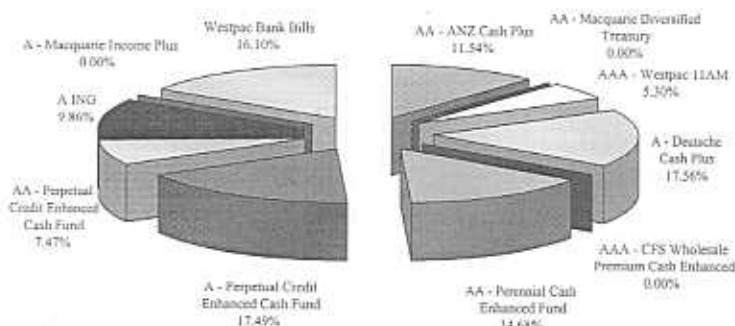
	Note	Revised Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
Capital Expenditure						
Computer & Computer Equipment	7	1,361,793	1,061,777	110,285	951,492	90
Furniture & Office Equipment	7	234,985	148,045	100,107	47,938	32
Heavy Vehicles	8	980,000	980,000	163,840	816,160	83
Light Vehicles	8	1,825,000	1,503,000	947,895	555,105	37
Mobile Plant	8	742,000	573,000	264,555	308,445	54
Plant & Equipment	7	202,030	166,430	10,930	155,500	93
Artifacts & Artworks		20,000	15,000	20,000	(5,000)	(33)
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		9,115,808	4,447,252	1,617,612	2,829,640	64



Capital Works Summary

CITY OF JOONDALUP
March-06

	<i>Note</i>	<i>Revised Budget</i>	<i>YTD Budget</i>	<i>YTD Actual</i>	<i>Variance</i>	<i>Variance</i>
		\$	\$	\$	\$	%
Capital Works						
Council Projects	9	15,118,512	7,308,851	4,548,700	2,760,151	38
Road Resurfacing	9	4,507,734	3,533,579	2,214,519	1,319,060	37
Major Road Construction Program	9	4,319,247	3,819,247	2,680,626	1,138,621	30
Traffic Management	9	2,360,457	1,735,124	834,004	901,120	52
Drainage	9	845,211	764,111	111,178	652,933	85
Street Lighting	9	338,516	204,860	35,493	169,367	83
Paths Program	9	650,406	580,986	358,286	222,700	38
Parking Facilities		372,100	80,800	70,660	10,140	13
Major Building Works	9	2,184,234	2,024,234	827,067	1,197,167	59
Foreshore Protection	9	326,188	294,781	235,295	59,486	20
Sporting Facilities	9	399,366	247,078	42,964	204,114	83
Playground Equipment	9	337,236	285,796	89,006	196,790	69
Parks & Reserves Enhancement	9	881,543	507,713	279,333	228,380	45
Capital Works Total		32,640,750	21,387,160	12,327,129	9,060,031	42

City of Joondalup - Investment Balances


Investment Account	Funds Held
AA - ANZ Cash Plus	\$ 6,785,040
AA - Macquarie Diversified Treasury	-
AAA - Westpac 11AM	3,116,015
A - Deutsche Cash Plus	10,317,948
AAA - CFS Wholesale Premium Cash Enhanced	-
AA - Perpetual Cash Enhanced Fund	8,625,091
A - Perpetual Credit Enhanced Cash Fund	10,279,371
AA - Perpetual Credit Enhanced Cash Fund	4,387,697
A - ING	5,795,392
A - Macquarie Income Plus	0
Westpac Bank Bills	9,464,349
Total Funds held in AA + A Investments	\$8,770,903

Total \$8,770,903

Amount included in total funds invested that relate to reserves:

\$ 23,337,527

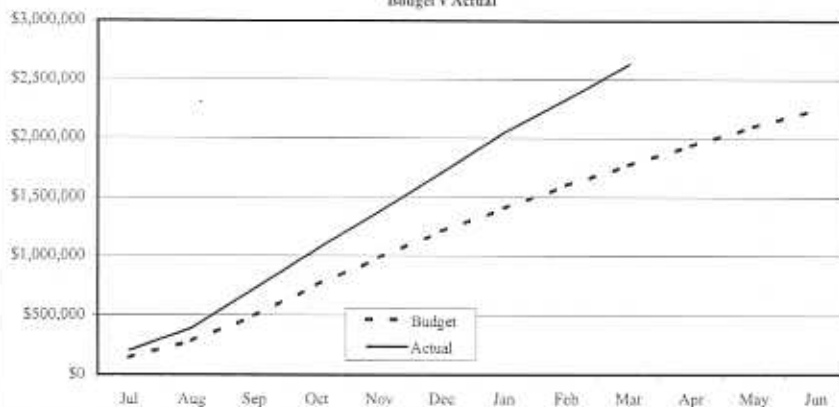
Other Comments

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

No breach of City Policy 8-9 has occurred during the month.

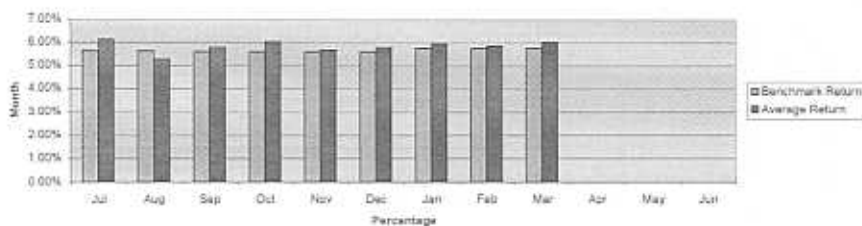
'A' not to exceed 40%

'AA' not to exceed 50%

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

Return on Investments

Year to Date Interest:	Budget	Actual
	\$2.141m	\$2.668m
Average return for the portfolio:		6.01%
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 MARCH 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) COJ Mobile Youth Service	\$84k	\$0k	(\$84k)
b) Roads to Recovery Program	\$623k	\$0k	(\$623k)
c) Metro Regional Road Program	\$921k	\$750k	(\$171k)
d) FESA	\$0k	\$52k	\$52k
e) Geothermal Bore	\$450k	\$0k	(\$450k)
f) Ocean Reef Marina	\$180k	\$0k	(\$180k)
g) Iluka Floodlights	\$80k	\$0k	(\$80k)
h) Black Spot Funding	\$333k	\$267k	(\$66k)
i) Other	\$3,718k	\$3,709k	(\$9k)
	\$6,389k	\$4,778k	(\$1,611k)

- a) The City took possession of a donated bus during February and work is now underway to recruit appropriate staff to deliver the program. The grant funding is to be provided by the Office of Crime Prevention upon completion of the recruitment process **(\$40k)**. The remaining **(\$44k)** was anticipated funds, which would become available for the fit out of the bus. This has not occurred and this amount is unlikely to be realised due to unavailability of grant funds.
- b) The Roads to Recovery projects are currently in progress. These projects will need to be completed before the remaining grant funds can be claimed, **(\$623k)**.
- c) The Metro Regional Road projects are currently in progress. The remaining grant funds of **(\$171k)** will be received upon project completion.
- d) An unbudgeted FESA grant has been received for the operation of Joondalup State Emergency Services (SES), **\$52k**. This is partially offset by unbudgeted contributions paid to the SES unit \$26k.
- e) The grant for the geothermal bore cannot be claimed until after completion of the Craigie Leisure Centre project, **(\$450k)**.
- f) This grant is to be paid progressively in line with expenditure by the City. As consultants have not yet been appointed and expenditure not yet incurred the grant money has not been received, **(\$180k)**.
- g) Iluka Sports floodlighting has been delayed as negotiation with the sports club regarding project scope is yet to be finalised, **(\$80k)**. Funding for the project is from the Community Sporting and Recreation Facilities Fund (CSRFF).

- h) Blackspot projects have been delayed awaiting final approvals from Main Roads WA. These projects will be completed by the end of the financial year. Once the projects are completed the remaining grant funds can be claimed, **(\$66k)**.

2 Interest Earnings

The City received a year to date portfolio return of **6.01%**, compared to budgeted return of **5.70%**, resulting in increased revenue of **\$136k** attributable to the higher rate of interest. The average balance of funds invested was **\$59.2m** compared to the budgeted amount of **\$50m**, resulting in additional revenue of **\$391k**.

3 Employee Costs

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

- | | |
|------------------------------------|----------|
| a) 2005/06 Establishment vacancies | \$1,563k |
| b) 2005/06 New project positions | \$333k |
| c) Advertising - staff vacancies | (\$65k) |
| d) Contract/Agency Labour | (\$98k) |
| e) Other | (\$93k) |
| | \$1,640k |
- e) Cumulative effect of vacancies within the approved establishment during the year. This is offset by an increase in cost of contract/agency labour (refer item d below) and additional participants in the salary sacrifice scheme (refer item e below).
- f) Delays have occurred in the Spatial Data Management and Ranger services projects. Recruitment of the 3 man mowing crew has been deferred awaiting the delivery of the associated plant equipment.
- g) The advertising variance is primarily due to an increased number of vacancies advertised this financial year.
- h) The contract/agency labour variance is primarily due to contractors being appointed within Rangers, Planning, Approvals and other areas to fill vacancies.
- i) Other variances are primarily due to employees taking up an option to salary sacrifice that has not been budgeted for, in addition to an underspend in staff training costs to date, which is expected to be underspent for the 2005/06 financial year.

4 Materials & Contracts

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

	Budget	Actual	Variance
a) Consultancy and Contractors	\$1,499k	\$320k	\$1,178k
b) Minor Furniture and Equipment	\$701k	\$811k	(\$110k)
c) Professional Fees and Costs	\$1,053k	\$761k	\$292k
d) Administration	\$1,065k	\$912k	\$153k
e) Public Relations & Corporate	\$367k	\$225k	\$142k
f) Member Costs	\$243k	\$175k	\$69k
g) Service Charges from Other Councils	\$3,285k	\$3,131k	\$154k
h) Contributions and Donations	\$759k	\$574k	\$185k
i) Materials	\$6,205k	\$6,561k	(\$356k)
j) Telephones	\$339k	\$214k	\$125k
k) Travel, Vehicle & Plant Costs	\$895k	\$767k	\$128k
l) Computing	\$607k	\$692k	(\$85k)
m) Other	\$3,130k	\$3,106k	\$23k
	<u>\$20,148k</u>	<u>\$18,249k</u>	<u>\$1,898k</u>

a) The variance is primarily attributable to a revised centralised process, which has been introduced in relation to the commissioning of consultants for various organisational projects, **\$648k**. It is expected that costs for this area will be underspent for the 2005/06 financial year. In addition consultancy costs for a number of projects including: Yellagonga Environment Centre, Public Consultation for Strategic Plan, Employer of Choice and Asset Management Strategy have been delayed, **\$531k**.

b) The variance is primarily due to:

- Computer equipment originally budgeted as capital expenditure being purchased as operating with items individually costing less than \$2k, **(\$273k)**.
- Purchase orders have been placed for furniture and equipment for bookshop layouts in the libraries and the City is awaiting delivery of the equipment, **\$51k**.
- Equipment purchases to improve the interior aesthetics of the libraries was originally budgeted as operating expenditure however has been purchased as capital expenditure as individual items have cost more than \$2k, **\$60k**.
- Equipment for elected members will be purchased to coincide with Council elections being held in May, **\$63k**.

c) Legal fees associated with the panel inquiry are **\$270k** underspent to March 2006. The full cost of legal expenses for the inquiry will be known in due course. It is expected that legal expenditure will be underspent for the 2005/06 year.

d) The variance is attributable to;

- Printing is underspent by **\$126k** to March 2006 as promotional materials have been delayed until the re-opening of the Craigie Leisure Centre. With the launch of the new leisure centre brand this month the level of expenditure will now start to approach the anticipated levels.
- Advertising is underspent by **\$51k** to March 2006 due primarily to a delay in re-opening of the Craigie Leisure Centre.

e) Promotions is underspent by **\$135k** to March 2006. This is due primarily to:

- The expenditure for the CBD Enhancement and Support for Small Business projects have been delayed until the last quarter of the financial year;
- Promotional materials within Safer Community and City Watch are in the planning stages;
- Library sub-branding is expected to be fully expended in May,
- Delays in receiving invoices associated with the Festival Program.

f) Member Costs is underspent by **\$68k** to March 2006. This is primarily due to expenditure on conferences, reimbursements and other miscellaneous expenses being deferred.

g) The favourable variance in Service Charges is due to below average waste tonnage collected caused by seasonal variances. The City is awaiting adjustment invoices for bulk refuses and recycling charges.

h) Contributions is underspent by **\$167k** to March 2006. This is due primarily to:

- Delays in expenditure for landscaping and maintenance works. It is expected that the City's contribution for works will be fully expended by the end of the financial year, **\$68k**.
- An unbudgeted contribution has been paid to SES unit, **\$26k**. This is offset by an unbudgeted FESA grant received for the operation of Joondalup SES unit.
- The variance in the contributions towards the operation of Warwick Leisure Centre is attributable to the timing of payments to the association. The funds should be expended in line with the budget estimations, **\$38k**.
- The first quarter contribution for the CAT Bus has not been made as yet, it is expected that this amount will be paid in last quarter of the financial year, **\$35k**.

- i) The Materials variance of **(\$356k)** relates to:
- An increase in the market costs of building materials, **(\$551k)**.
 - This is partially offset by a deferral of materials purchases due to unavailability of contractors, **\$165k**;
 - In addition external contracting services to conduct the 2006 Council Elections will be expended in May, **\$30k**.
- j) The Telephone variance relates primarily to operating charges for Push to Talk mobile phones, **\$104k**. Originally budgeted as capital expenditure, funds were transferred in the half year review to operating expenditure. Charges will be received from Telstra on a monthly basis from March.
- k) Fleet maintenance costs are lower than budgeted to March 2006 due to seasonal factors. It is anticipated these costs will be fully expended by the end of the financial year, **\$128k**.
- l) The computing variance of **(\$85k)** primarily relates to software acquisitions for the HR System Project, which are to be capitalised.
- m) Other variances are primarily due to a number of minor variances individually less than \$50k.

5 Utilities

The variance in Utilities is caused by lower than budgeted electricity costs, **\$155k**. This is due to less irrigation power consumption than anticipated as a consequence of wet weather and below average temperatures during the summer months.

6 Loss on Asset Disposal

The trade-in of heavy and light vehicles and mobile plant has been delayed as a review of the procedures for the trade-in of vehicles under the State Government common use contract was undertaken. It is expected that the vehicle replacement program will be caught up by the end of the financial year.

7 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) Computer Room Upgrade	\$200k	\$16k	\$184k
c) Corporate PC and Notebook Replacement Program	\$140k	\$36k	\$104k
d) Equipment for Three Man Mowing Crew	\$80k	\$0k	\$80k
e) Document Management System	\$100k	\$0k	\$100k
f) Network Infrastructure	\$160k	\$0k	\$160k
g) Oracle System Expansion	\$103k	\$11k	\$92k
h) 5 Year Major IT Upgrade Plan	\$43k	\$0k	\$43k
i) Library Photocopiers	\$40k	\$0k	\$40k
j) Interior Aesthetics Improvements for Libraries	\$0k	\$60k	(\$60k)
k) New Proposal for Building Refurbishment	\$60k	\$0k	\$60k
l) Other	\$200k	\$98k	\$102k
	<u>\$1,376k</u>	<u>\$221k</u>	<u>\$1,155k</u>

- a) The budget included a provision for a new HR/Payroll system, **\$205k** and associated equipment, **\$45k**. Implementation commenced in February 2006, with payments to occur between March and June 2006. Software acquisition costs, which were paid in March 2006, were originally classified as operating expenditure and will be capitalised.
- b) Draft requirements for computer room upgrade have been prepared. A specialist consultant will now be engaged to prepare a design before tenders are issued. Payments are estimated to be made in June 2006, **\$184k**.
- c) All orders have been placed for PCs, notebooks and printers with the exception of **\$84k** of equipment for elected members. It is anticipated that these costs will be expensed and not capitalised due to unit costs being below \$2k.
- d) Expenditure on new capital equipment for a three man mowing crew, **\$80k**, has been deferred until April/May.
- e) The business case for the new Document Management System will not be completed until the last quarter of the financial year and it is anticipated that the tender process will commence in the first quarter of the 2006/07 year. Therefore these funds will not be spent this financial year and will be carried forward, **\$100k**.
- f) This is a timing variance with payments anticipated to be made in the last quarter of the financial year for various items of network equipment, **\$140k**.
- g) Hardware was ordered in February and has been received, further setup costs will be billed in the last quarter of the financial year, **\$92k**.

- h) The IT upgrade project plan and business case will need to be further developed before expenditure is incurred, **\$43k**.
- i) Orders have been placed for the purchase of the library photocopiers and the City is awaiting delivery of the equipment, **\$40k**.
- j) Equipment purchases to improve the interior aesthetics of the libraries was originally budgeted as operating expenditure but have been classified as capital expenditure as individual items have cost more than \$2k, **(\$60k)**.
- k) This proposal relates to office refurbishments for the administration building. Minor works have been undertaken and are of an operating nature, **60k**.
- l) Other variances relate primarily to Hydraulic Disabled Hoist, Signage for the Joondalup Leisure Centre and Equipment for COJ Mobile Youth Service which are yet to be incurred.

8 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 procedures for the purchase of vehicles under the State Government common use contracts. In addition some plant and vehicles, which were budgeted to be replaced will not be replaced, as their condition is better than anticipated, **\$1997k**.

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

9 Construction of Infrastructure Assets

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

	Budget	Actual	Variance
a) Council Projects	\$7,309k	\$4,549k	\$2,760k
b) Road Resurfacing	\$3,534k	\$2,215k	\$1,319k
c) Major Road Construction Program	\$3,819k	\$2,681k	\$1,138k
d) Traffic Management	\$1,735k	\$834k	\$901k
e) Drainage	\$764k	\$111k	\$653k
f) Street Lighting	\$205k	\$36k	\$169k
g) Paths Program	\$581k	\$358k	\$223k
h) Major Building Works	\$2,024k	\$827k	\$1,197k
i) Foreshore Protection	\$295k	\$235k	\$60k
j) Sporting Facilities	\$247k	\$43k	\$204k
k) Playground Equipment	\$286k	\$89k	\$197k
l) Parks & Reserves Enhancement	\$508k	\$279k	\$229k
m) Other	\$80k	\$70k	\$10k
	\$21,387k	\$12,327k	\$9,060k

a) Council Projects:-

- Joondalup Cultural Facility: The settlement of the land purchase has been delayed awaiting creation of the 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 from the Department of Education and Training. Landscaping works have not yet commenced due to the delayed land purchase, **\$1,177k**.
- Sorrento Beach Project: Work is in progress and it is anticipated to be open to public during May 2006. Final invoices are to be paid June/July 2006, **\$559k**.
- Craigie Leisure Centre Refurbishment: Finalisation of the refurbishment has been delayed as a result of difficulties associated with the geothermal bore, **\$374k**.
- Ocean Reef Marina: The tender assessments for the appointment of consultants for this project are currently being finalised, **\$529k**.
- Joondalup Works Depot: This project has now changed from purchasing land and constructing a new depot to leasing land and constructing a depot. Accordingly expenditure for this financial year is expected to be minimal, **\$121k**.

b) Road Resurfacing:-

- 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. **\$1,319k**.

c) Major Road Construction Program:-

Details of the year to date variance of **\$1,138k** are as follows:

- Ocean Reef Road: The development was completed on 31st October and was overspent due to variations for lighting, which will be funded from savings in other projects within the Major Road Construction Program.
- Burns Beach Road: This project is funded 2/3 by the State Government and 1/3 by the City. This project is funded over a 2 year period. Although funded in 05/06 this project will be constructed in one stage in next financial year to co-ordinate works with Main Roads WA Mitchell Freeway extension.
- Other Roadworks: The funds for Major Construction Design of Various Roads will be expended on completion of the Burns Beach Road Development.

d) Traffic Management:-

A number of projects are underspent, **\$901k**, including:

- Installation of traffic signals as part of the Black Spot program have been deferred due to delays gaining approval from Main Roads WA. This however will be resolved and projects are anticipated to be completed within the next financial year.
- The installation of traffic signals at Grand Boulevard and Kendrew Crescent have been completed and the City is awaiting invoices for these works.
- Construction of a slip lane at Cord Street and Winton Road was delayed as a result of extended public consultation with adjacent business stakeholders.

e) Drainage:-

A number of projects are underspent, **\$653k**, including:

- Joondalup Gate Development: the City is currently finalising contribution towards a main drainage system.
- Winton Road drainage has been completed, however additional works are required to accommodate future freeway extensions.
- Collier Pass has been completed and further expenditure will be incurred on security fencing.
- Yellagonga Regional Park work has been delayed. Drainage improvements are in the tender stage and works are expected to be completed within the next financial year.

f) Street Lighting:-

A number of projects are underspent, **\$169k**, including:

- Minor improvements to arterial and local roads street lighting are carried out on an "as needs" basis throughout the year. To date, minimal works have been identified in this area.

g) Paths Program:-

A number of projects are underspent, **\$223k**, including:

- Shared Paths: 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.
- Bicycle Facilities: Works on this program are expected to be completed within the next financial year.

h) Major Building Works:-

A number of projects are underspent, **\$1,197k**, including:

- The City Centre toilet block is in the design and documentation stage after delays in obtaining Western Australian Planning Commission approval.
- Work on the Neil Hawkins Park toilets is currently in progress and will be completed by end of the financial year.
- Iluka Foreshore Toilets have been completed, awaiting final invoices.
- The contract for the lift replacement for the Administration Building has been awarded however due to industry wide delays this project will be carried forward into the next financial year.
- The replacement of air conditioning chillers for the Administration Building is still in the planning stage.
- The Woodvale Library air conditioner project is in the tender assessment stage and will be carried forward into the next financial year.

i) Foreshore Protection:-

- This variance is primarily due to delays in the formalisation of a natural areas management team, **\$60k**. This team is to be appointed later in the financial year.

j) Sporting Facilities:-

- Iluka Sports floodlighting has been delayed as negotiations with the sports club, regarding the scope of work, are still to be finalised, **\$149k**.
- Other minor projects have experienced delays and will be expended by the end of the financial year.

k) Playground Equipment:-

- Installation of new playground equipment commenced in November 2005. It is anticipated that the program will be completed by the end of the financial year, **\$197k**.

l) Parks & Reserves:-

- 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, **\$229k**.

m) Other:- Other variances are primarily due to a number of minor variances individually less than \$50k.

10 Proceeds from Disposal

The trade-in of heavy and light vehicles and mobile plant has been delayed due to a review of procedures for the trade-in of vehicles under the State Government common contract. It is expected that the vehicle replacement schedule will be caught up by the end of the financial year, **(\$511k)**.

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**.

11 Transfers from Reserves

The variance for Transfers from reserves is a timing variance. Transfers for the Craigie Leisure Centre, **\$2.2m**, were budgeted to occur in June 2006

This is partially offset by budgeted transfers for heavy, light vehicles and mobile plant, **(\$1.1m)**, not occurring due to delays in purchases.

12 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.