



City of
Joondalup

*Financial Activity Statement for
the Period Ended
31 May 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.

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Financial Activity Statement for the period ended 31 May 2006

	Note	Revised Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
OPERATING REVENUE						
Rates		48,409,679	48,389,679	48,678,082	288,403	1
Rates - Specified Area		116,592	116,592	119,272	2,680	2
Government Grants & Subsidies	1	9,013,648	8,463,727	6,960,936	(1,502,791)	(18)
Contributions, Reimbursements and Donations		9,124,102	5,261,451	5,318,525	57,074	1
Profit on Asset Disposal		369,596	72,378	87,682	15,304	21
Fees & Charges		15,497,446	14,843,084	14,618,936	(224,148)	(2)
Interest Earnings	2	2,596,644	2,453,291	3,216,683	763,392	31
Other Revenue		151,321	140,158	120,222	(19,936)	(14)
		85,279,028	79,740,360	79,120,338	(620,022)	(1)
OPERATING EXPENDITURE						
Employee Costs	3	30,046,364	26,739,149	25,261,123	1,478,026	6
Materials & Contracts	4	26,599,077	24,143,114	22,516,207	1,626,907	7
Utilities (Gas, Electricity, Water etc)		3,189,388	2,886,522	2,794,589	91,933	3
Depreciation on Non Current Assets		15,030,810	13,778,226	13,875,608	(97,382)	(1)
Loss on Asset Disposal	5	260,485	181,237	87,371	93,866	52
Interest Expense		194,683	181,861	170,735	11,126	6
Insurance Expenses		966,963	885,404	855,915	29,489	3
Other Expenses		54,000	50,250	53,978	(3,728)	(7)
		76,341,770	68,845,763	65,615,526	3,230,237	5
SURPLUS/(DEFICIT) FROM OPERATIONS		8,937,258	10,894,597	13,504,812	2,610,215	24
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	6	1,798,808	1,683,308	537,133	1,146,175	68
Purchase of Vehicles & Plant	7	3,547,000	3,056,000	1,462,690	1,593,310	52
Acquired Infrastructure Assets		3,750,000	0	0	0	0
Construction of Infrastructure Assets	8	32,640,750	24,748,728	14,135,156	10,613,572	43
SUB TOTAL CAPITAL EXPENDITURE		41,756,558	29,503,036	16,154,979	13,348,057	45
SURPLUS/(DEFICIT) FROM OPERATIONS AND CAPITAL EXPENDITURE		(32,819,300)	(18,608,439)	(2,650,167)	15,958,272	(86)
Adjustments for Non-Cash Movements						
Depreciation on Assets		15,030,810	13,778,226	13,875,608	97,382	1
Loss on Disposal	5	260,485	181,237	87,371	(93,866)	(52)
Profit on Disposal		(369,596)	(72,378)	(87,682)	(15,304)	21
						0
Adjustments for Other Cash Movements						
Proceeds from Disposal	9	1,560,000	997,600	599,335	(398,265)	(40)
Loan funds		900,000	900,000	900,000	0	0
Loan repayments (principal)		(228,493)	228,493	228,493	0	0
						0
Funded From						
Transfers from Reserves	10	20,777,394	1,910,480	3,056,700	1,146,220	60
Transfers to Reserves	11	(12,723,873)	(951,027)	(4,448,609)	(3,497,582)	368
Opening Funds	12	8,229,698	8,229,698	8,199,039	(30,659)	(0)
Closing Funds		617,125	6,593,890	19,760,088	13,166,198	200

	Note	Revised Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
Capital Expenditure						
Computer & Computer Equipment	6	1,361,793	1,276,293	344,816	931,477	73
Furniture & Office Equipment	6	234,985	204,985	133,271	71,714	35
Heavy Vehicles	7	980,000	980,000	163,840	816,160	83
Light Vehicles	7	1,825,000	1,503,000	947,895	555,105	37
Mobile Plant	7	742,000	573,000	350,955	222,045	39
Plant & Equipment	6	202,030	202,030	59,045	142,985	71
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	4,754,308	2,019,823	2,734,485	58

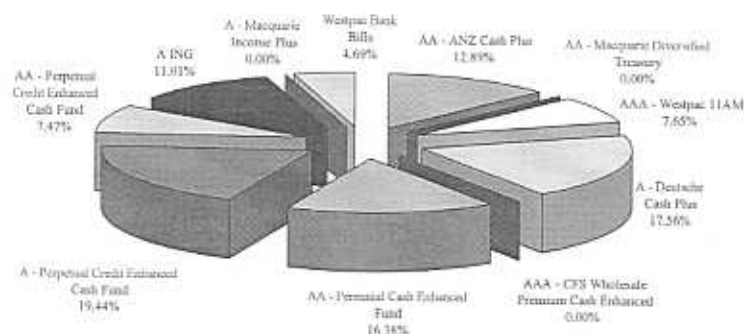


Capital Works Summary

CITY OF JOONDALUP
May-06

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	Note	Revised Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
Capital Works						
Council Projects	8	15,118,512	7,997,867	5,068,486	2,929,381	37
Road Resurfacing	8	4,507,734	4,209,174	2,758,116	1,451,058	34
Major Road Construction Program	8	4,319,247	4,319,247	2,690,985	1,628,262	38
Traffic Management	8	2,360,457	2,296,117	1,125,756	1,170,361	51
Drainage	8	845,211	827,086	159,909	667,177	81
Street Lighting	8	338,516	325,000	56,318	268,682	83
Paths Program	8	650,406	650,406	379,280	271,126	42
Parking Facilities	8	372,100	205,000	74,730	130,270	64
Major Building Works	8	2,184,234	2,157,554	956,101	1,201,453	56
Foreshore Protection	8	326,188	317,801	257,798	60,003	19
Sporting Facilities	8	399,366	355,208	71,628	283,580	80
Playground Equipment	8	337,236	320,076	122,034	198,042	62
Parks & Reserves Enhancement	8	881,543	768,192	414,016	354,176	46
Capital Works Total		32,640,750	24,748,728	14,135,156	10,613,572	43

City of Joondalup - Investment Balances


Investment Account	Funds Held
AA - ANZ Cash Plus	\$ 6,847,615
AA - Macquarie Diversified Treasury	-
AAA - Westpac 11AM	4,066,015
A - Deutsche Cash Plus	10,412,020
AAA - CFS Wholesale Premium Cash Enhanced	-
AA - Perpetual Cash Enhanced Fund	8,699,829
A - Perpetual Credit Enhanced Cash Fund	10,328,295
AA - Perpetual Credit Enhanced Cash Fund	4,428,842
A - ING	5,848,235
A - Macquarie Income Plus	0
Westpac Bank Bills	2,491,281
Total Funds held in AA + A Investments	53,122,131

Total 53,122,131

Amount included in total funds invested that relate to reserves:

\$ 23,452,665

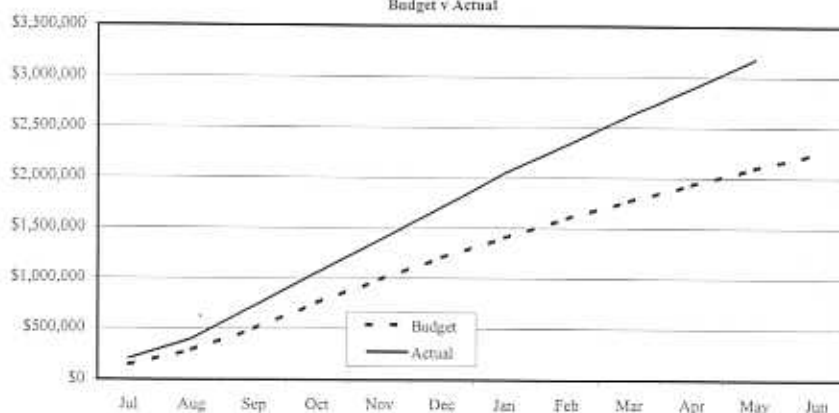
Other Comments

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.

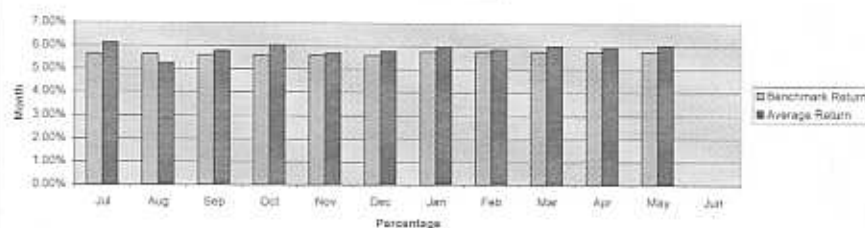
'A' not to exceed 40%

'AA' not to exceed 50%

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

Return on Investments

Year to Date Interest:	Budget	Actual
	\$2,453m	\$3,216m
Average return for the portfolio:		6.05%
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 MAY 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) Roads to Recovery Program	\$830k	\$944k	\$114k
b) Metro Regional Road Program	\$1,161k	\$802k	(\$359k)
c) FESA	\$0k	\$67k	\$67k
d) Geothermal Bore	\$450k	\$0k	(\$450k)
e) Ocean Reef Marina	\$580k	\$0k	(\$580k)
f) Iluka Floodlights	\$107k	\$0k	(\$107k)
g) Black Spot Funding	\$420k	\$267k	(\$153k)
h) Kendrew Crescent Traffic Signals	\$63k	\$0k	(\$63k)
i) Other	\$4,853k	\$4,881k	\$28k
	<u>\$8,464k</u>	<u>\$6,961k</u>	<u>(\$1,503k)</u>

- a) The grant funds for the Roads to Recovery projects have been received in advance. The program has not yet been completed and funds will be carried forward to the next financial year, **\$114k**.
- b) The variance primarily relates to the grant funds for the Burns Beach Road project. This project is funded over a 2 year period, 2/3 by the State Government and 1/3 by the City. Although approved in 05/06 the project will be constructed in one stage in the next financial year to co-ordinate works with Main Roads WA Mitchell Freeway extension, **(\$359k)**.
- c) An unbudgeted FESA grant has been received for the operation of Joondalup State Emergency Services (SES), **\$67k**. This is offset by unbudgeted contributions paid to the SES unit \$67k.
- d) The construction of the bore is nearing completion. The City will be submitting its claim for grant funding from the Department for Sport and Recreation in June 2006, **(\$450k)**.
- e) This grant is to be paid progressively in line with expenditure by the City. Capital expenditure for the Ocean Reef Marina project is underspent as at end of May by \$823k, **(\$580k)**.
- f) Iluka Sports floodlighting has been deferred as negotiations with the sports club regarding project scope have changed significantly, **(\$107k)**. It is unlikely that this project will be progressed until a new submission is made by the club. Funding for the project is from Community Sporting and Recreation Facilities Fund (CSRFF).



- g) Blackspot projects have been delayed awaiting final approvals from Main Roads WA. These projects will be carried forward into the next financial year, **(\$153k)**.
- h) The traffic signals at the intersection of Grand Boulevard and Kendrew Crescent have been completed and the City is awaiting final contribution from Main Roads and Public Transport Authority, **(\$63k)**.

2 Interest Earnings

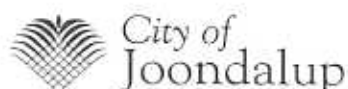
The City received a year to date portfolio return of **6.05%**, compared to budgeted return of **5.69%**, resulting in increased revenue of **\$190k** attributable to the higher rate of interest. The average balance of funds invested was **\$57.9m** compared to the budgeted amount of **\$47m**, resulting in additional revenue of **\$573k**.

3 Employee Costs

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

a) 2005/06 Establishment vacancies	\$1,443k
b) 2005/06 New project positions	\$371k
c) Advertising - staff vacancies	(\$72k)
d) Contract/Agency Labour	(\$117k)
e) Other	(\$147k)
	<u>\$1,478k</u>

- a) Cumulative effect of vacancies within the approved establishment during the year. This is partly offset by an increase in cost of contract/agency labour (refer item d below) and additional participants in the salary sacrifice scheme.
- b) Delays have occurred in the Spatial Data Management and Ranger services projects. Vacant positions for the 3 man mowing crew are currently being filled.
- c) The advertising variance is primarily due to an increased number of vacancies advertised this financial year.
- d) The contract/agency labour variance is due to contractors being appointed within Rangers, Planning, Approvals and other areas to fill vacancies.
- e) Other variances are related to a number of minor variances individually less than \$50k.



4 Materials & Contracts

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

	Budget	Actual	Variance
a) Consultancy and Contractors	\$1,678k	\$551k	\$1,127k
b) Minor Furniture and Equipment	\$841k	\$902k	(\$60k)
c) Professional Fees and Costs	\$1,103k	\$874k	\$229k
d) Administration	\$1,239k	\$1,092k	\$147k
e) Public Relations & Corporate	\$447k	\$331k	\$116k
f) Member Costs	\$297k	\$216k	\$81k
g) Service Charges from Other Councils	\$4,003k	\$3,851k	\$152k
h) Contributions and Donations	\$933k	\$692k	\$241k
i) Materials	\$7,605k	\$8,282k	(\$678k)
j) Telephones	\$406k	\$286k	\$120k
k) Travel, Vehicle & Plant Costs	\$1,091k	\$1,008k	\$82k
l) Other Service Charges	\$2,875k	\$2,803k	\$72k
m) Other	<u>\$1,625k</u>	<u>\$1,627k</u>	<u>(\$2k)</u>
	\$24,143k	\$22,516k	\$1,627k

a) A revised centralised review and approval process caused a rationalisation in the commissioning of consultants, **\$546k**. The 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 deferred to 2006/2007 year, **\$581k**

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, **(\$219k)**.
- Computer equipment for the Two Way Radio System project budgeted under Telephone expenses but purchased under Minor Furniture and Equipment, **(\$54k)**.
- Equipment purchases to improve the interior aesthetics of the libraries originally budgeted as operating expenditure has been purchased as capital expenditure as individual items have cost more than \$2k, **\$64k**.
- The Council was elected on 6 May 2006. Office equipment will be purchased for elected members to support their roles. This will occur during the month of June. It is anticipated that there will be a saving in this project of \$35k, **\$63k**.
- The City is awaiting invoices for rubbish bins, **\$30k**.
- Minor plant equipment purchases for the Operations area is underspent by **\$20k**, this amount will not be spent.



- Other minor variances which are not material, **\$36k**.
- c) A revised centralised review and approval process caused a reduction in the expenditure for Legal fees. It is expected that legal expenditure will be underspent for the 2005/06 year, **\$241k**.
- d) This variance is attributable to:
- Printing is underspent by **\$132k** to May 2006 as promotional materials have been delayed until the re-opening of the Craigie Leisure Centre. It is envisaged that once there is a firm date for the opening of the facility there will be an increase in the level of expenditure. In addition purchase order will be placed in June for printing of Library projects. A number of Strategic Sustainable Development projects are on hold pending staffing resources and will be carried forward to the next financial year.
 - Advertising is underspent by **\$37k** to May 2006 due primarily to a delay in the re-opening of the Craigie Leisure Centre.
 - Other minor variances which are not material, **(\$22k)**.
- e) Public Relations & Corporate expenditure is underspent **\$116k** to May 2006. This is due primarily to:
- A number of Strategic and Sustainable Development projects are on hold pending staffing resources and will be carried forward to the next 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 June,
 - An underspend in the Cultural Development area. Expenditure on the Community Art Award will occur in June.
- f) The Member Costs is underspent by **\$81k** to May 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 and donations is underspent by **\$241k** to May 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, **\$97k**.
- An unbudgeted contribution has been paid to SES unit, **(\$67k)**. This is offset by an unbudgeted FESA grant received for the operation of Joondalup SES unit.
- Sponsorship funds of \$29k for the Sports Development Program have now been approved and will be spent in June. The remaining \$8k will not be spent, **\$37k**.
- The variance in the contributions towards the operation of Warwick Leisure Centre is attributable to the timing of payments to the association. It is expected that these contributions will be fully expended in June, **\$46k**.
- Corporate sponsorship for Twin Cities Community Radio and the West Perth Football Club will be incurred during the month of June, **\$20k**.
- The Community Funding Program is currently under review and the funds for the program will not be spent in this financial year, **\$40k**.
- The refurbishment of the SES building at Winton Road is not now being undertaken, **\$33k**. This underspend is offset by a budgeted contribution from FESA which the City will not now receive.
- Other minor variances which are not material, **\$35k**.

i) The Materials variance of **(\$678k)** primarily relates to:

- An increase in the market costs of building materials, **(\$768k)**.
- A deferral of materials purchases due to unavailability of contractors, **\$30k**;
- External contracting services to conduct the 2006 Council Elections will be expended in June, **\$30k**.
- Other minor variances which are not material, **\$30k**.



- j) The Telephone variance relates primarily to operating charges for Push to Talk mobile phones. Originally budgeted as capital expenditure, funds were transferred in the half year review to operating expenditure. In addition Computer equipment for the Two Way Radio System project is budgeted under Telephone expenses but has been purchased under Minor Furniture and Equipment, **\$120k**.
- k) Fleet maintenance costs are lower than budgeted to May 2006 due to seasonal factors and lower than budgeted repair costs. It is anticipated these costs will be underspent for the financial year, **\$82k**.
- l) The variance relates primarily to an underspend for Pest Control costs which will be spent in June 2006, **\$72k**.
- m) Other variances are not material, **(\$2k)**.

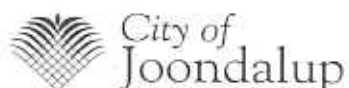
5 Loss on Asset Disposal

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 underspent for the 2005/06 financial year, **\$94k**.

6 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	\$99k	\$151k
b) Computer Room Upgrade	\$200k	\$129k	\$71k
c) Corporate PC and Notebook Replacement Program	\$269k	\$36k	\$233k
d) Equipment for Three Man Mowing Crew	\$80k	\$29k	\$51k
e) Document Management System	\$100k	\$0k	\$100k
f) Network Infrastructure	\$190k	\$0k	\$190k
g) Oracle System Expansion	\$103k	\$11k	\$92k
h) 5 Year Major IT Upgrade Plan	\$43k	\$0k	\$43k
i) Library Photocopier and equipment	\$42k	\$21k	\$21k
j) New Proposal for Building Refurbishment	\$100k	\$0k	\$100k
k) Signage Joondalup Leisure Centre	\$51k	\$0k	\$51k
l) Interior Aesthetics Improvements for Libraries	\$0k	\$64k	(\$64k)
m) Spatial Data Management	\$50k	\$0k	\$50k
n) COJ Mobile Youth Service	\$30k	\$0k	\$30k
o) Other	\$175k	\$148k	\$27k
	\$1,683k	\$537k	\$1,146k



- a) The budget included a provision for a new HR/Payroll system, **\$205k** and associated equipment, **\$45k**. Implementation commenced in February 2006. Items, which were originally budgeted as capital expenditure but have been purchased as operating due to items costing less than \$2k, **\$42k**. It is expected that project funds of **\$104k** will be carried forward to the next financial year.
- b) The variance primarily relates to items, which were originally budgeted as capital expenditure but have been purchased as operating due to items costing less than \$2k, **\$41k**. It is expected that project funds of **\$29k** will be carried forward to the next financial year.
- c) All orders have been placed for PCs, notebooks and printers for the Corporate PC and Notebook Replacement Program. The variance of **\$233k** primarily relates to items, which were originally budgeted as capital expenditure but have been purchased as operating due to items costing less than \$2k.
- d) There were initial delays with expenditure on new capital equipment for a three man mowing crew, **\$51k**, vacant positions are currently being filled and expenditure has now commenced.
- e) The business case for the new Document Management System is expected to be completed in June and the tender process will commence in the first quarter of the next financial year. Therefore these funds will not be spent this financial year and will be carried forward, **\$100k**.
- f) The funding for this project is to be carried forward to 2006/07 due to delays in issuing the request for quotation for design consultancy. Implementation is now planned for the first half of the next financial year, **\$190k**.
- g) Hardware was ordered in February and has been received, further setup costs will be billed in the last quarter of the financial year, **\$67k**. It is expected that project funds of **\$25k** will be carried forward to the next financial year.
- h) The IT upgrade project plan and business case will need to be further developed before expenditure is incurred, **\$43k**.
- i) Library photocopier and equipment was originally budgeted as capital expenditure but items of equipment have been purchased as operating due to items costing less than \$2k, **\$21k**.
- j) This proposal relates to office refurbishments for the administration building. Minor works have been undertaken and are of an operating nature, **\$100k**.
- k) With the delays to the Craigie Leisure Centre redevelopment there was a subsequent limitation to the roll out of the new brand. The project will be completed during June 2006, **\$51k**.



- l) 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, **(\$64k)**.
- m) The business case for this project has been prepared and is currently under consideration. No expenditure will occur this financial year and funding is to be carried forward to the next financial year, **\$50k**.
- n) The program will commence upon the recruitment of staff in July 2006. The funds for the 2005/06 financial year will not be spent, **\$30k**.
- o) Other variances are not material, **\$27k**.

7 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, **\$1,910k**.

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.

8 Construction of Infrastructure Assets

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

	Budget	Actual	Variance
a) Council Projects	\$7,998k	\$5,069k	\$2,929k
b) Road Resurfacing	\$4,209k	\$2,758k	\$1,451k
c) Major Road Construction Program	\$4,319k	\$2,691k	\$1,628k
d) Traffic Management	\$2,296k	\$1,126k	\$1,170k
e) Drainage	\$827k	\$160k	\$667k
f) Street Lighting	\$325k	\$56k	\$269k
g) Paths Program	\$651k	\$379k	\$272k
h) Parking Facilities	\$205k	\$75k	\$130k
i) Major Building Works	\$2,158k	\$956k	\$1,202k
j) Foreshore Protection	\$318k	\$258k	\$60k
k) Sporting Facilities	\$355k	\$72k	\$284k
l) Playground Equipment	\$320k	\$122k	\$198k
m) Parks & Reserves Enhancement	\$768k	\$414k	\$354k
	<u>\$24,749k</u>	<u>\$14,135k</u>	<u>\$10,614k</u>



a) Council Projects:-

- Joondalup Cultural Facility: The Department of Education and Training has submitted their invoice for road works, which will be paid in June. The transfer of land is awaiting the creation of the title, **\$1,187k**.
- Sorrento Beach Project: Work is ongoing and it is anticipated to be completed in June 2006. Final invoices will be paid in August 2006, **\$369k**.
- Craigie Leisure Centre Refurbishment: Finalisation of the refurbishment has been delayed as a result of difficulties associated with the geothermal bore, **\$351k**.
- Ocean Reef Marina: The appointment of consultants has been finalised and expenditure for the project will now commence, **\$823k**.
- 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, **\$199k**.

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. Outstanding works will be carried forward into the next financial year for completion, **\$1,451k**.

c) Major Road Construction Program:-

Details of the year to date variance of **\$1,628k** 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, **\$1,170k**, including:

- Installation of traffic signals as part of the Black Spot program has been delayed due to final approvals from Main Roads WA. These projects will be carried forward into 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.
- Sorrento and Mulligan Traffic Management Schemes were delayed due to extended public consultation issues regarding the final design layout.

e) Drainage:-

A number of projects are underspent, **\$667k**, 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 evaluation stage and works are expected to be completed within the next financial year.

f) Street Lighting:-

A number of projects are underspent, **\$269k**, 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, **\$272k**, 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) Parking Facilities:-

- **City Centre Parking Project** will be carried forward to the next financial year following outcomes from the City Centre Parking Strategy.

i) Major Building Works:-

A number of projects are underspent, **\$1,202k**, including:

- The City Centre toilet block is in the design and documentation stage after delays in obtaining Western Australian Planning Commission approval.
- Work on 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 tender evaluation 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, **\$43k**. This team is in the process of being appointed. It is anticipated that this program will be expended by the end of the financial year.

k) Sporting Facilities:-

- Iluka Sports floodlighting has been delayed as negotiations with the sports club, regarding the scope of work, are still to be finalised, **\$222k**.
- Other minor projects have experienced delays and will be expended by the end of the financial year.

l) 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, **\$198k**.

m) 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, **\$354k**.

9 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 program will be underspent for the 2005/06 financial year, **(\$495k)**.

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**.

10 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, **(\$1.2m)**, not occurring due to delays in purchases.

11 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.

12 Opening Funds

	Budget	Actual	Variance
<u>Current Assets</u>			
Cash Assets	\$40,637k	\$40,573k	\$64k
Receivables	\$2,213k	\$2,225k	(\$12k)
	\$42,850k	\$42,798k	\$52k
<u>Less: Current Liabilities</u>			
Payables	(\$5,396k)	(\$6,728k)	(\$1,332k)
Provisions	(\$6,808k)	(\$5,526k)	\$1,282k
Interest Bearing Liabilities	(\$228k)	(\$228k)	\$0k
	(\$12,432k)	(\$12,482k)	(\$50k)
<u>Less: Restricted Assets</u>			
Reserves	(\$22,132k)	(\$22,061k)	\$71k
Unspent Government Grants (Operating)	(\$56k)	(\$56k)	\$0k
Opening Funds	\$8,230k	\$8,199k	\$31k