



City of  
Joondalup

*Financial Activity Statement for  
the Period Ended  
30 April 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 30 April 2006

	Note	Revised Budget	YTD Budget	YTD Actual	Variance	Variance %
		\$	\$	\$	\$	%
<b>OPERATING REVENUE</b>						
Rates		48,409,679	48,369,679	48,670,740	301,061	1
Rates - Specified Area		116,592	116,592	119,257	2,665	2
Government Grants & Subsidies	1	9,013,648	7,101,687	4,843,922	(2,257,765)	(32)
Contributions, Reimbursements and Donations		9,124,102	5,211,856	5,245,576	33,720	1
Profit on Asset Disposal		369,596	72,378	87,488	15,110	21
Fees & Charges		15,497,446	14,364,758	14,095,415	(269,343)	(2)
Interest Earnings	2	2,596,644	2,299,700	2,935,357	635,657	28
Other Revenue		151,321	128,991	120,222	(8,769)	(7)
		85,279,028	77,665,641	76,117,977	(1,547,664)	(2)
<b>OPERATING EXPENDITURE</b>						
Employee Costs	3	30,046,364	24,426,549	22,755,437	1,671,112	7
Materials & Contracts	4	26,599,077	22,179,916	20,230,015	1,949,901	9
Utilities (Gas, Electricity, Water etc)	5	3,189,388	2,623,246	2,467,677	155,569	6
Depreciation on Non Current Assets		15,030,810	12,525,660	12,619,526	(93,866)	(1)
Loss on Asset Disposal	6	260,485	181,237	86,982	94,255	52
Interest Expense		194,683	140,899	144,791	(3,892)	(3)
Insurance Expenses		966,963	807,476	777,189	30,287	4
Other Expenses		54,000	46,500	53,978	(7,478)	(16)
		76,341,770	62,931,483	59,135,595	3,795,888	6
<b>SURPLUS/(DEFICIT) FROM OPERATIONS</b>		8,937,258	14,734,158	16,982,382	2,248,224	15
<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	15,000	20,000	(5,000)	(33)
Purchase of Furniture & Equipment	7	1,798,808	1,581,308	336,783	1,244,525	79
Purchase of Vehicles & Plant	8	3,547,000	3,056,000	1,433,890	1,622,110	53
Acquired Infrastructure Assets		3,750,000	0	0	0	0
Construction of Infrastructure Assets	9	32,640,750	23,316,293	13,348,549	9,967,744	43
<b>SUB TOTAL CAPITAL EXPENDITURE</b>		41,756,558	27,968,601	15,139,222	12,829,379	46
<b>SURPLUS/(DEFICIT) FROM OPERATIONS AND CAPITAL EXPENDITURE</b>		(32,819,300)	(13,234,443)	1,843,160	15,077,603	(114)
<b>Adjustments for Non-Cash Movements</b>						
Depreciation on Assets		15,030,810	12,525,660	12,619,526	93,866	1
Loss on Disposal	6	260,485	181,237	86,982	(94,255)	(52)
Profit on Disposal		(369,596)	(72,378)	(87,488)	(15,110)	21
					0	0
<b>Adjustments for Other Cash Movements</b>						
Proceeds from Disposal	10	1,560,000	997,600	599,845	(397,755)	(40)
Loan funds		900,000	900,000	900,000	0	0
Loan repayments (principal)		(228,493)	170,133	170,133	0	0
					0	0
<b>Funded From</b>						
Transfers from Reserves	11	20,777,394	1,910,480	3,043,500	1,133,020	59
Transfers to Reserves	12	(12,723,873)	(864,570)	(4,380,104)	(3,515,534)	407
Opening Funds		8,229,698	8,229,698	8,220,279	(9,419)	(0)
Closing Funds		617,125	10,743,417	23,015,832	12,272,416	114

# Capital Expenditure Summary

Appendix B

CITY OF JOONDALUP  
April-06

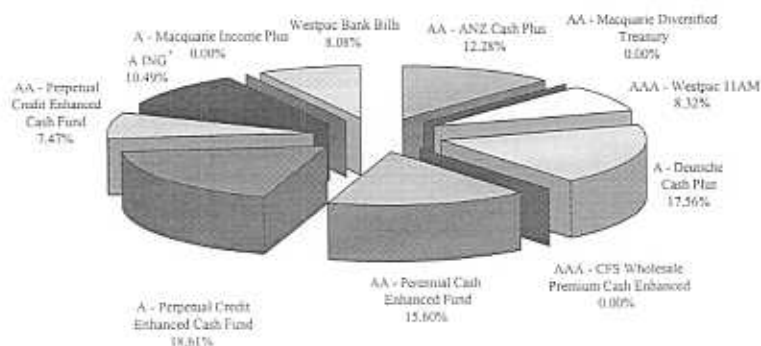
	Note	Revised Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
Capital Expenditure						
Computer & Computer Equipment	7	1,361,793	1,208,293	177,631	1,030,662	85
Furniture & Office Equipment	7	234,985	170,985	100,107	70,878	41
Heavy Vehicles	8	980,000	980,000	163,840	816,160	83
Light Vehicles	8	1,825,000	1,503,000	947,895	555,105	37
Mobile Plant	8	742,000	573,000	322,155	250,845	44
Plant & Equipment	7	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	4,652,308	1,790,673	2,861,635	62



# Capital Works Summary

CITY OF JOONDALUP  
April-06

	Note	Revised Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
Capital Works						
Council Projects	9	15,118,512	7,803,867	5,037,260	2,766,607	35
Road Resurfacing	9	4,507,734	3,871,368	2,505,780	1,365,588	35
Major Road Construction Program	9	4,319,247	4,069,247	2,680,626	1,388,621	34
Traffic Management	9	2,360,457	2,101,787	936,433	1,165,354	55
Drainage	9	845,211	808,961	157,213	651,748	81
Street Lighting	9	338,516	264,930	45,069	219,861	83
Paths Program	9	650,406	625,066	368,898	256,168	41
Parking Facilities		372,100	92,900	70,660	22,240	24
Major Building Works	9	2,184,234	2,130,894	835,004	1,295,890	61
Foreshore Protection	9	326,188	309,416	236,648	72,768	24
Sporting Facilities	9	399,366	305,368	61,204	244,164	80
Playground Equipment	9	337,236	302,936	95,704	207,232	68
Parks & Reserves Enhancement	9	881,543	629,553	318,051	311,502	49
Capital Works Total		32,640,750	23,316,293	13,348,549	9,967,744	43

**City of Joondalup - Investment Balances**


Investment Account	Funds Held
AA - ANZ Cash Plus	\$ 6,814,779
AA - Macquarie Diversified Treasury	-
AAA - Westpac 11AM	4,616,015
A - Deutsche Cash Plus	10,364,132
AAA - CFS Wholesale Premium Cash Enhanced	-
AA - Perpetual Cash Enhanced Fund	8,658,871
A - Perpetual Credit Enhanced Cash Fund	10,324,336
AA - Perpetual Credit Enhanced Cash Fund	4,406,198
A - ING	5,820,688
A - Macquarie Income Plus	0
Westpac Bank Bills	4,483,440
<b>Total Funds held in AA + A Investments</b>	<b>\$5,488,460</b>

Total \$5,488,460

Amount included in total funds invested that relate to reserves:

\$ 23,397,360

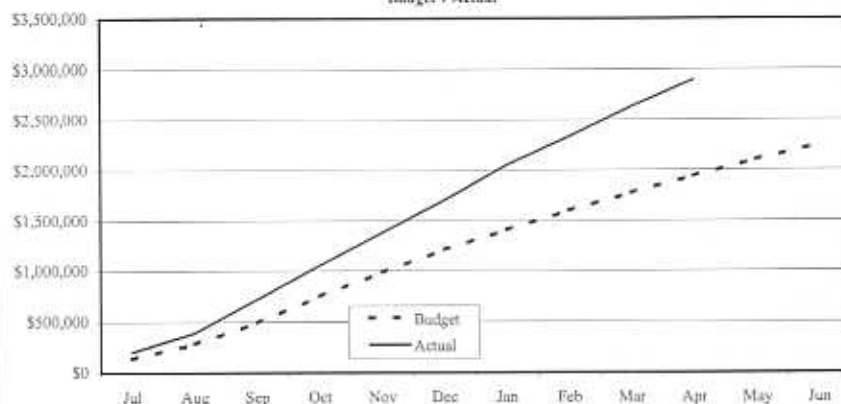
**Other Comments**

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%

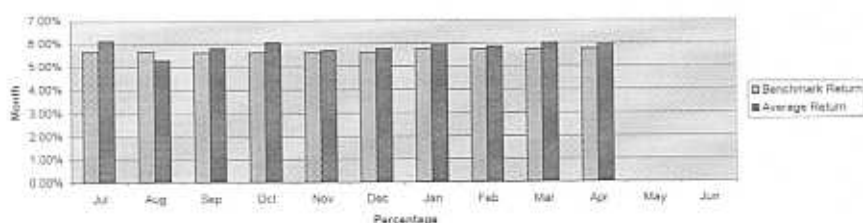
'AA' not to exceed 50%

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

**Return on Investments**

Year to Date Interest: **Budget** \$2.300m **Actual** \$2.955m

Average return for the portfolio: 5.99%  
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 30 APRIL 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	\$727k	\$0k	(\$727k)
b) Metro Regional Road Program	\$1,041k	\$750k	(\$291k)
c) FESA	\$0k	\$52k	\$52k
d) Geothermal Bore	\$450k	\$0k	(\$450k)
e) Ocean Reef Marina	\$580k	\$0k	(\$580k)
f) Iluka Floodlights	\$94k	\$0k	(\$94k)
g) Black Spot Funding	\$376k	\$267k	(\$109k)
h) Kendrew Crescent Traffic Signals	\$50k	\$0k	(\$50k)
i) Other	\$3,784k	\$3,775k	(\$9k)
	\$7,102k	\$4,844k	(\$2,258k)

- a) The Roads to Recovery projects are currently in progress. These projects will need to be completed before the remaining grant funds can be claimed, **(\$727k)**.
- b) The Metro Regional Road projects are currently in progress. The remaining grant funds of **(\$291k)** will be received upon project completion.
- c) 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 \$30k.
- d) The grant for the geothermal bore cannot be claimed until after completion of the Craigie Leisure Centre project, **(\$450k)**.
- e) This grant is to be paid progressively in line with expenditure by the City. Consultants have now been appointed and expenditure for the project will commence in May/June 2006, **(\$580k)**.
- f) Iluka Sports floodlighting has been delayed as negotiation with the sports club regarding project scope is yet to be finalised, **(\$94k)**. 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 completed by the end of the financial year. Once the projects are completed the remaining grant funds can be claimed, **(\$109k)**.



- 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, **(\$50k)**.

## 2 Interest Earnings

The City received a year to date portfolio return of **5.99%**, compared to budgeted return of **5.69%**, resulting in increased revenue of **\$149k** attributable to the higher rate of interest. The average balance of funds invested was **\$58.8m** compared to the budgeted amount of **\$48.5m**, resulting in additional revenue of **\$487k**.

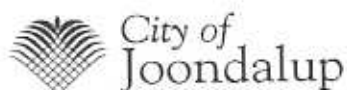
## 3 Employee Costs

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

a) 2005/06 Establishment vacancies	\$1,564k
b) 2005/06 New project positions	\$344k
c) Advertising - staff vacancies	(\$60k)
d) Contract/Agency Labour	(\$132k)
e) Other	(\$45k)
	<u>\$1,671k</u>

- a) 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.
- b) Delays have occurred in the Spatial Data Management and Ranger services projects. Vacant positions for the 3 man mowing crew are currently being resolved.
- c) The advertising variance is primarily due to an increased number of vacancies advertised this financial year.
- d) The contract/agency labour variance is primarily due to contractors being appointed within Rangers, Planning, Approvals and other areas to fill vacancies.
- e) Other variances are primarily due 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	\$1,586k	\$358k	\$1,228k
b) Minor Furniture and Equipment	\$773k	\$856k	(\$83k)
c) Professional Fees and Costs	\$1,081k	\$802k	\$279k
d) Administration	\$1,152k	\$996k	\$156k
e) Public Relations & Corporate	\$416k	\$272k	\$144k
f) Member Costs	\$270k	\$198k	\$73k
g) Service Charges from Other Councils	\$3,644k	\$3,489k	\$155k
h) Contributions and Donations	\$828k	\$609k	\$219k
i) Materials	\$6,915k	\$7,317k	(\$403k)
j) Telephones	\$377k	\$242k	\$135k
k) Travel, Vehicle & Plant Costs	\$994k	\$905k	\$89k
l) Other Service Charges	\$2,644k	\$2,704k	(\$60k)
m) Other	\$1,500k	\$1,482k	\$18k
	\$22,180k	\$20,230k	\$1,950k

a) A revised centralised approval process caused a reduction in the commissioning of consultants, **\$677k**. It is expected that consultancy costs for this area will be underspent for the 2005/06 financial year. 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 delayed, **\$551k**

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, **\$80k**.
- In addition 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**.
- The Council was elected on 6 May 2006. Upon taking office necessary equipment will be purchased for elected members to assist them with fulfilling their roles. This will occur during the months of May and June, **\$63k**.

c) Legal fees associated with the panel inquiry are **\$272k** underspent to April 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) This variance is attributable to:

- Printing is underspent by **\$133k** to April 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 quotes are currently being sought for printing of Library projects.
- Advertising is underspent by **\$47k** to April 2006 due primarily to a delay in re-opening of the Craigie Leisure Centre.

e) Promotions is underspent **\$128k** to April 2006. This is due primarily to:

- Promotions for Community Engagement Forum was budgeted for but will not occur and promotion for Tourism has been delayed;
- 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) The Member Costs is underspent by **\$73k** to April 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 **\$219k** to April 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, **\$81k**.
- An unbudgeted contribution has been paid to SES unit, **\$30k**. 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, **\$38k**.
- The first quarter contribution for the CAT Bus has not been made as yet as the City has not received an invoice from the Public Transport Authority, it is

expected that this amount will be paid in last quarter of the financial year, **\$35k**.

- Other minor variances which are not material, **\$35k**.
- i) The Materials variance of **(\$403k)** primarily relates to:
- An increase in the market costs of building materials, **(\$627k)**.
  - This is partially offset by; a deferral of materials purchases due to unavailability of contractors, **\$172k**;
  - 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, **\$109k**. Originally budgeted as capital expenditure, funds were transferred in the half year review to operating expenditure.
- k) Fleet maintenance costs are lower than budgeted to April 2006 due to seasonal factors. It is anticipated these costs will be fully expended by the end of the financial year, **\$89k**.
- l) The variance relates primarily to budget phasing with invoices for Tipping Charges from City of Wanneroo, **(\$131k)**. This has been offset by an underspend for Pest Control costs which will be spent in May/June 2006, **\$56k**.
- m) Other variances are not material, **\$18k**.

## **5 Utilities**

The variance in Utilities is caused by lower than budgeted electricity costs, **\$141k**. 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 underspent for the 2005/06 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	\$80k	\$120k
c) Corporate PC and Notebook Replacement Program	\$249k	\$36k	\$213k
d) Equipment for Three Man Mowing Crew	\$80k	\$29k	\$51k
e) Document Management System	\$100k	\$0k	\$100k
f) Network Infrastructure	\$170k	\$0k	\$170k
g) Oracle System Expansion	\$103k	\$11k	\$92k
h) 5 Year Major IT Upgrade Plan	\$43k	\$0k	\$43k
i) Library Photocopiers	\$42k	\$0k	\$42k
j) New Proposal for Building Refurbishment	\$80k	\$0k	\$80k
k) Signage Joondalup Leisure Centre	\$51k	\$0k	\$51k
l) Interior Aesthetics Improvements for Libraries	\$0k	\$64k	(\$64k)
m) Other	\$213k	\$117k	\$96k
	\$1,581k	\$337k	\$1,244k

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 will be capitalised in May 2006.

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, **\$120k**.

c) All orders have been placed for PCs, notebooks and printers for the Corporate PC and Notebook Replacement Program. The variance of **\$213k** 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 resolved and expenditure has now commenced.

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, **\$170k**.

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, **\$42k**.
- j) This proposal relates to office refurbishments for the administration building. Minor works have been undertaken and are of an operating nature, **\$80k**.
- k) With the delays to the Craigie Leisure Centre redevelopment there was a subsequent limitation to the roll out of the new brand, **\$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) Other variances relate primarily to Hydraulic Disabled Hoist, Spatial Data Management and 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, **\$1939k**.

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	\$7,804k	\$5,037k	\$2,767k
b) Road Resurfacing	\$3,871k	\$2,506k	\$1,366k
c) Major Road Construction Program	\$4,069k	\$2,681k	\$1,389k
d) Traffic Management	\$2,102k	\$936k	\$1,165k
e) Drainage	\$809k	\$157k	\$652k
f) Street Lighting	\$265k	\$45k	\$220k
g) Paths Program	\$625k	\$369k	\$256k
h) Major Building Works	\$2,131k	\$835k	\$1,296k
i) Foreshore Protection	\$309k	\$237k	\$73k
j) Sporting Facilities	\$305k	\$61k	\$244k
k) Playground Equipment	\$303k	\$96k	\$207k
l) Parks & Reserves Enhancement	\$630k	\$318k	\$312k
m) Other	\$93k	\$71k	\$21k
	<u>\$23,316k</u>	<u>\$13,349k</u>	<u>\$9,968k</u>

### a) Council Projects:-

- Joondalup Cultural Facility: The Department of Education and Training has not yet submitted their invoice for road works and have not yet completed the necessary subdivision clearances to enable the transfer of land to proceed, **\$1,187k.**
- Sorrento Beach Project: Work is ongoing and it is anticipated to be completed in May 2006. Final invoices will be paid in June/July 2006, **\$373k.**
- Craigie Leisure Centre Refurbishment: Finalisation of the refurbishment has been delayed as a result of difficulties associated with the geothermal bore, **\$373k.**
- Ocean Reef Marina: The tender assessments for the appointment of consultants have now been finalised and expenditure for the project will commence in May/June 2006, **\$679k.**
- 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, **\$155k.**



**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, **\$1,366k**.

**c) Major Road Construction Program:-**

Details of the year to date variance of **\$1,389k** 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, **\$1,165k**, 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.
- Sorrento and Mulligan Traffic Management Schemes were delayed due to ongoing public consultation issues regarding the final design layout.

**e) Drainage:-**

A number of projects are underspent, **\$652k**, 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, **\$220k**, 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, **\$256k**, 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, **\$1,296k**, 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 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, **\$73k**. 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.

**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, **\$185k**.
- 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, **\$207k**.

**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, **\$312k**.

**m) Other:-** Other variances are not material, **\$21k**.

**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 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**.

#### **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.