



City of
Joondalup

City of Joondalup

Financial Activity Statement for the
Period Ended 31 January 2011

Contents

Appendix

Financial Activity Statement	1
Investment Summary	2
Notes to and Forming Part of the Financial Activity Statement	3



City of Joondalup
Financial Activity Statement
for the period ended 31 January 2011

	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(69,420,408)	(69,297,108)	(69,645,341)	348,233	1%
Grants and Subsidies		(3,119,042)	(1,605,893)	(1,591,753)	(14,139)	(1)%
Contributions Reimbursements and Donations	2	(2,417,419)	(985,474)	(1,506,463)	520,989	53%
Profit on Asset Disposals		(105,164)	(43,739)	(19,734)	(24,005)	(55)%
Fees and Charges	3	(28,596,520)	(23,371,918)	(24,324,645)	952,727	4%
Investment Earnings	4	(3,798,858)	(2,390,326)	(3,306,612)	916,286	38%
Other Revenue/Income	5	(121,000)	(63,083)	(113,367)	50,284	80%
Total Operating Revenue		(107,578,411)	(97,757,540)	(100,507,915)	2,750,375	3%
OPERATING EXPENSES						
Employee Costs	6	45,149,333	26,976,223	24,939,773	2,036,451	8%
Materials and Contracts	7	40,915,704	23,805,837	21,245,321	2,560,516	11%
Utilities (gas, electricity, water etc.)	8	4,641,753	2,936,095	2,710,744	225,351	8%
Depreciation of Non-Current Assets		21,306,833	12,491,721	13,004,285	(512,564)	(4)%
Loss on Asset Disposal		62,490	26,970	55,695	(28,725)	(107)%
Interest Expenses		699,800	389,224	339,502	49,722	13%
Insurance Expenses		1,239,486	1,235,644	1,250,664	(15,020)	(1)%
Total Operating Expenses		114,015,398	67,861,714	63,545,984	4,315,730	6%
(SURPLUS)/DEFICIT FROM OPERATIONS		6,436,988	(29,895,826)	(36,961,932)	7,066,105	24%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation on Assets		(21,306,833)	(12,491,721)	(13,004,285)	512,564	4%
Loss on Asset Disposal		(62,490)	(26,970)	(55,695)	28,725	107%
Profit on Asset Disposals		105,164	43,739	19,734	24,005	(55)%
OPERATING CASH (SURPLUS)/DEFICIT		(14,827,171)	(42,370,779)	(50,002,178)	7,631,399	18%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	9	(9,840,460)	(5,192,343)	(3,933,692)	(1,258,651)	(24)%
Capital Contributions		-	-	-	-	-
Acquired Infrastructure Assets		(1,725,000)	-	-	-	-
Total Non-Operating Revenue		(11,565,460)	(5,192,343)	(3,933,692)	(1,258,651)	(24)%
CAPITAL EXPENDITURE						
Capital Projects	10	3,979,222	2,740,137	854,387	1,885,750	69%
Capital Works	11	31,922,178	20,120,220	12,086,005	8,034,215	40%
Motor Vehicle Replacements	12	2,057,360	1,325,960	471,448	854,512	64%
Loan Repayment Principal		1,279,959	600,241	608,446	(8,205)	(1)%
Equity Investments		-	-	16,401	(16,401)	-
Total Capital Expenditure		39,238,719	24,786,558	14,036,687	10,749,871	43%
CAPITAL (SURPLUS)/DEFICIT		27,673,259	19,594,215	10,102,995	9,491,220	48%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		12,846,088	(22,776,564)	(39,899,183)	17,122,620	75%
FUNDING						
Proceeds from Disposal		(406,000)	(226,100)	(184,588)	(41,512)	(18)%
Loan Funds	13	(2,924,100)	(2,924,100)	-	(2,924,100)	-
Transfer from Reserve		(14,030,494)	-	-	-	-
Transfer to Reserve		3,974,479	-	-	-	-
Transfer to Accumulated Surplus		1,725,000	-	-	-	-
Opening Funds		(1,212,195)	(1,212,195)	(4,608,378)	3,396,183	280%
CLOSING FUNDS	14	(27,222)	(27,138,959)	(44,692,149)	17,553,190	65%

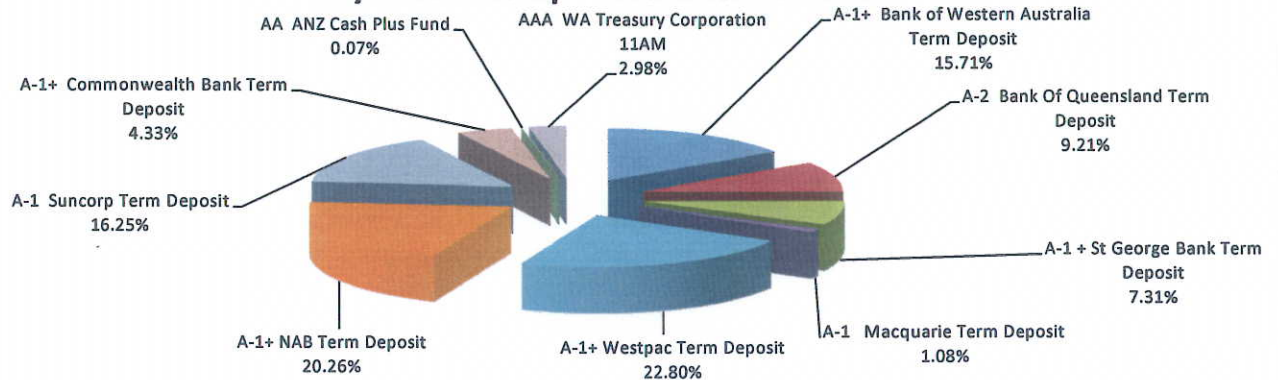


Investment Summary

CITY OF JOONDALUP
January-11

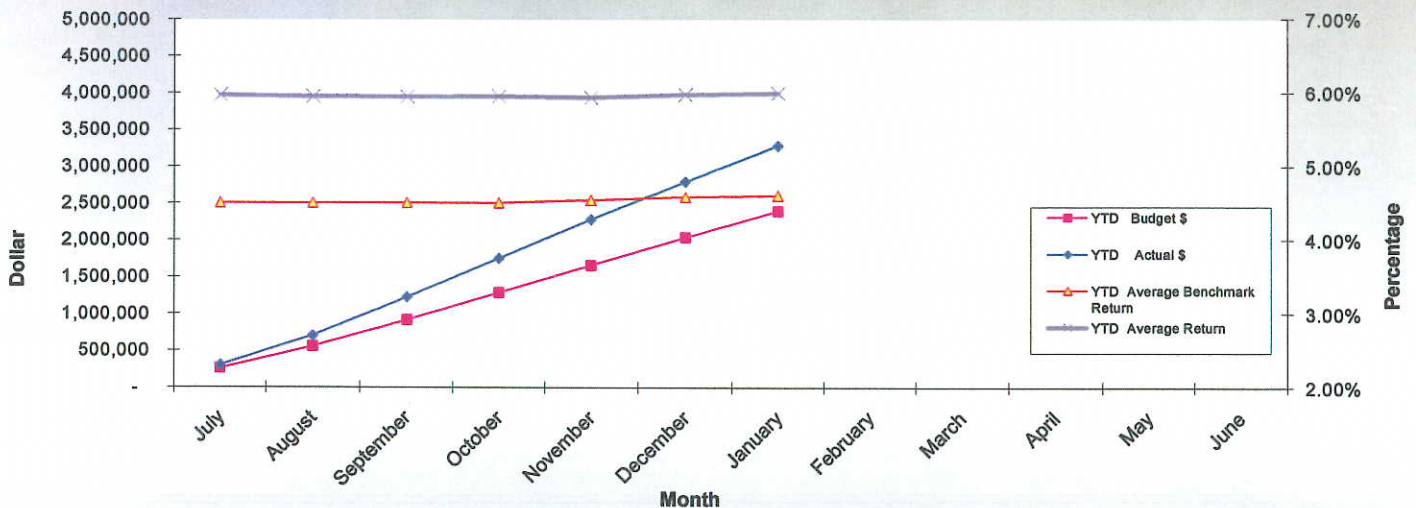
Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
A-1+ Bank of Western Australia Term Deposit	6.07%	6.08%	\$ 14,500,000	15.71%	20%
A-2 Bank Of Queensland Term Deposit	6.23%	6.16%	\$ 8,500,000	9.21%	10%
A-1 + St George Bank Term Deposit	5.94%	5.81%	\$ 6,750,000	7.31%	20%
A-1 Macquarie Term Deposit	6.05%	6.10%	\$ 1,000,000	1.08%	15%
A-1+ Westpac Term Deposit	6.08%	6.04%	\$ 21,050,000	22.80%	20%
A-1+ NAB Term Deposit	6.07%	6.01%	\$ 18,700,000	20.26%	20%
A-1 Suncorp Term Deposit	6.20%	6.20%	\$ 15,000,000	16.25%	15%
A-1+ Commonwealth Bank Term Deposit	5.82%	5.70%	\$ 4,000,000	4.33%	20%
AA ANZ Cash Plus Fund	4.83%	5.21%	\$ 66,688	0.07%	20%
AAA WA Treasury Corporation 11AM	4.70%	4.56%	\$ 2,753,000	2.98%	20%
Total Investment Portfolio	6.04%	5.99%	92,319,688	100.00%	
Municipal Funds			51,796,580		
Reserve Funds			40,523,108		
			92,319,688		

City of Joondalup - Investment Balances



Month	MTD Budget \$	MTD Actual \$	YTD Budget \$	YTD Actual \$	YTD Average Benchmark Return	YTD Average Return
July	256,840	298,637	256,840	298,637	4.50%	5.96%
August	298,870	400,613	555,710	699,249	4.50%	5.94%
September	357,361	521,996	913,071	1,221,245	4.50%	5.94%
October	372,982	528,372	1,286,053	1,749,617	4.50%	5.95%
November	369,286	527,724	1,655,339	2,277,342	4.54%	5.93%
December	378,273	512,841	2,033,612	2,790,183	4.58%	5.97%
January	356,713	491,453	2,390,325	3,281,636	4.60%	5.99%

Return on Investments





NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 31 JANUARY 2011

1. Rates

Rates revenue is \$348k higher than budget predominantly because of valuation adjustments received since the budget was adopted, interim rates and administration fees being higher than expected.

2. Contributions, Reimbursements & Donations

	YTD Adopted Budget	YTD Actual	Variance
a) Insurance Reimbursements	-	\$132k	\$132k
b) Legal Fees Recoverable	\$76k	\$285k	\$209k
c) Miscellaneous Reimbursements	\$102k	\$194k	\$92k
d) Other Contributions, Reimbursements & Donations	\$807k	\$895k	\$88k
	<u>\$985k</u>	<u>\$1,506k</u>	<u>\$521k</u>

a) The City received Insurance Reimbursements totalling \$122k for damage caused by the West Coast Storm in March 2010, plus a number of smaller claims that are not material.

b) Legal Fees have been recovered earlier than phased in the budget.

c) The City received unbudgeted reimbursements including \$85k from other councils for Long Service Leave taken by their former employees, \$42k Fuel Tax Credits and \$7k for traineeships. Maintenance reimbursements on Marmion Avenue Median are (\$48k) below budget as a result of lower than expected maintenance requirements. The balance of the variance is not material and is spread across a number of areas.

d) LGIS contributed \$27k for Equal Employment Opportunity training and the WALGA advertising rebate of \$25k was received earlier than expected.

The City also received Sponsorship of \$35k earlier than budgeted for events including the Valentine's concert and Joondalup Festival. The Sale of Recyclable Materials has exceeded budget by \$26k and Utility Charges issued are (\$23k) below budget for the period.



3. Fees & Charges

	YTD Adopted Budget	YTD Actual	Variance
a) Refuse Charges	\$15,636k	\$15,723k	\$87k
b) Building & Development Fees	\$1,179k	\$1,230k	\$51k
c) Licenses and Registrations	\$340k	\$231k	(\$109k)
d) Sports & Recreation Fees	\$3,665k	\$3,884k	\$219k
e) Hire & Rentals	\$333k	\$400k	\$67k
f) Inspection and Control	\$285k	\$404k	\$119k
g) Fines & Penalties	\$780k	\$890k	\$110k
h) Parking Fees	\$782k	\$906k	\$124k
i) Other Fees & Charges	\$372k	\$657k	\$285k
	<u>\$23,372k</u>	<u>\$24,325k</u>	<u>\$953k</u>

a) This variance is due to the actual number of refuse collection services charged being higher than budgeted.

b) Development Application Fees are \$81k and Building License Fees are \$15k above budget. The variance is mainly due to large fees received for proposed developments at Joondalup Resort, Edith Cowan University, Sentiens Joondalup Hospital and 43 grouped dwellings in Currambine.

There were no development applications in the current period that generated cash in lieu of parking charges giving a (\$50k) unfavourable variance against budget.

c) Food premises inspections have been reclassified to Inspections (refer to f)) causing a (\$76k) variance against budget. Dog Registrations are (\$15k) less than expected and Stall Fees are (\$15k) below the budget as a third party is coordinating the Sunset Markets this year.

d) In Sports and Recreation higher enrolments and pre-enrolments for the Learn to Swim programs resulted in revenue exceeding budget expectations by \$203k. Admission Fees for the City were \$81k above budget mainly due to variances for Pool entry \$107k and Holiday Programs (\$40k). Hire of Facilities revenue was \$39k above budget, including back dated fees received from sporting clubs and annual hire groups.

These increases are partly offset by (\$55k) lower revenue from Court Sports which was adversely affected during refurbishment of flooring surfaces and from Membership Fees (\$85k) that was lower than expected. A new membership campaign has been implemented in late January.

e) Variances arose in annual Property Rental and Outgoings which differ from the phased budget.

f) Inspection Fee revenue is \$122k over the budget due to the re-classification of inspections of food premises. (see c) above)



- g) Revenue received from Parking Infringements is \$114k over budget as the level of infringements issued continues to be higher than expected.
- h) Off Street Parking is \$68k above budget mainly due to the Joondalup Health Campus exclusive use of 136 bays in Lawley Court Car Park during the campus redevelopment. Private Property Agreements are \$28k above budget following an increase in the level of patrols in the Joondalup Health Campus. On Street Parking is also \$28k above budget.
- i) Collection of parking fines through the Fines Enforcement Registry is \$228k above budget. This revenue is partially offset by higher lodgement fees and by increased charges for vehicle license searches (refer to 7d).

The favourable variance includes misallocation of \$10k for Streetside Advertising (see 5 b) below), Environmental Health Immunisation \$10k plus a range of smaller variances.

4. Investment Earnings

Investment income exceeded budget by \$916k, as the volume of funds invested is higher than budget mainly owing to lower expenditure to date.

5. Other Revenue/Income

	YTD Adopted Budget	YTD Actual	Variance
a) Discounts Received	\$18k	\$25k	\$7k
b) Adshell - Advertising Revenue Share	\$45k	\$40k	(\$5k)
c) WA Natural Disaster Relief & Recovery Arrangements	-	\$11k	\$11k
d) Corrections & Adjustments	-	\$37k	\$37k
	<u>\$63k</u>	<u>\$113k</u>	<u>\$50k</u>

- a) The discount received on settlement of supplier invoices exceeded budget by \$7k.
- b) Adshell revenue is understated by \$10k due to the misallocation of Streetside Advertising revenue (see 3 i) above).
- c) A second claim for West Coast storm damage lodged through the State's WA Natural Disaster Relief & Recovery Arrangements gave rise to \$11k in unbudgeted revenue.
- d) This variance is due to the adjustment for leave provisions from the previous financial year.



6. Employee Costs

	YTD Adopted Budget	YTD Actual	Variance
a) Salaries & Wages	\$25,315k	\$23,112k	\$2,203k
b) Other Employment Costs	\$1,661k	\$1,828k	(\$167k)
	<u>\$26,976k</u>	<u>\$24,940k</u>	<u>\$2,036k</u>

- a) The variance is due to several vacancies during the period backfilled by agency employees (refer to b) below) and to budgeted salary increases from 1 July 2010 that are yet to occur.
- b) The Employee Labour capital recovery variance is (\$306k) unfavourable as a result of delayed recruitment of budgeted project staff and is also affected by capital works that are behind the budget schedule.

Agency Employee expenditure is (\$125k) over budget in Rangers, Parking Services and Community Safety for operational need and also for Rangers required for the Beach Management Plan. Expenditure is also over budget (\$76k) in engineering maintenance and parks to cover vacant positions and secondments with the balance of \$41k spread across a number of areas.

Other favourable Employment cost variances include Staff Training \$135k, Conferences and Seminars \$36k, Uniforms and Protective Clothing \$42k, Study Assistance and Professional Development \$33k and Provision for Employee Entitlements \$47k.

7. Materials and Contracts

	YTD Adopted Budget	YTD Actual	Variance
a) Accommodation & Property	\$390k	\$475k	(\$85k)
b) Administration	\$728k	\$577k	\$151k
c) Finance Related Costs	\$347k	\$285k	\$62k
d) Professional Fees & Costs	\$1,110k	\$1,006k	\$104k
e) Public Relations, Advertising & Promotions	\$559k	\$435k	\$124k
f) Contributions & Donations	\$1,389k	\$1,086k	\$303k
g) Furniture, Equipment and Artworks	\$1,041k	\$647k	\$394k
h) Other Materials	\$954k	\$841k	\$113k
i) External Service Expenses	\$10,356k	\$9,434k	\$922k
j) Service Charges from Other Councils	\$4,627k	\$4,236k	\$391k
k) Other Expenses	-	\$102k	(\$102k)
l) Travel, Vehicles & Plant	\$888k	\$792k	\$96k
Other Variances - not material	\$1,417k	\$1,329k	\$88k
	<u>\$23,806k</u>	<u>\$21,245k</u>	<u>\$2,561k</u>



- a) Accommodation and Property now includes (\$140k) for refuse removal of green waste from the Works Operation Centre (WOC), previously collected from different parks and budgeted for under External Contract Service (refer to i) below). The collection service has now been centralised at the WOC for more efficient handling of green waste.

There is a variance against budget of \$56k for lease payments to Landcorp in relation to Lot 701, 380 Joondalup Drive which is now unlikely to be required to be paid and \$12k timing difference for the lease of the Customer Service Office at Westfield Whitfords City. The balance includes (\$11k) storm damage associated costs at the Civic Chambers Building which is claimable through insurance.

- b) Printing costs for the City are \$114k below budget, including \$30k for the City Directory that is to be redirected to regional promotion strategy. Other areas underspent to date are Leisure and Culture \$24k, which includes some identified savings that will be adjusted at the Mid Year Review, \$26k for civic functions and ceremonies and \$15k for Planning and Approvals.

The other Administration expenditure variances below budget are Sundry Administration expenses \$23k and Photography & Video Production \$25k which includes a sponsorship DVD that was not produced. The balance is spread across a number of areas.

- c) The favourable variance for Finance Related costs includes lower than expected Credit Card Merchant Fees \$24k, Bank Charges \$17k and \$8k for Cash Collections to be adjusted at the budget review.

The Materials Recovery Facility loan repayment subsidy payments to date are \$12k below budget.

- d) Consultancy expenditure is \$241k below budget over a range of projects mainly attributable to delays in the commencement of works including the Currambine Community Centre \$50k, Percy Doyle Master Plan \$50k, Local Commercial Strategy \$65k, Jack Kikeros Hall \$30k and Mirror Skate Park \$20k.

Lodgement Fees for Fines Enforcement of unpaid parking infringements are (\$99k) over budget and Vehicle License Search fees (\$24k), offset by higher revenue received (see 3 i) above). Total legal fees are over the budget by (\$26k), comprising debt collection fees recoverable (\$6k) and other fees which include unexpected expenditure incurred in relation to the Mindarie Regional Council.

- e) Catering costs are \$45k below budget including \$30k for Council Support and \$12k for Leisure Centre events. Other areas underspent are Signage and Decals \$42k and Promotions \$24k including \$12k for the Wildcats event that didn't proceed at the Craigie Leisure Centre.

The City incurred unbudgeted expenses for Entertainment and Hospitality (\$19k) and General Advertising (\$27k) to promote extended trading hours within the City Centre. The balance of the General Advertising variance is \$53k below budget including \$15k



savings due to sponsorship credits for several events and \$12k savings in the Leisure Centres quarterly advertising costs.

- f) In Contributions and Donations (\$57k) payments were made to Sports Clubs for the maintenance of cricket wickets which are not reflected in the budget.

In Recreation Services under the CSRFF program the Beaumaris Sports Association project was discontinued saving \$126k. A final payment of \$172k for the construction of clubrooms is delayed and will be made to the Arena Community Sports and Recreation Association upon completion of the project expected in April 2011.

In addition the Clubs in Focus program is underspent by \$11k for sponsorships which are dependent upon receipt of applications for grants from the Joondalup Sports Association.

The FESA Emergency Services Levy on City buildings is \$42k below budget for the year.

- g) Computer equipment purchases is \$75k below budget for the PC and minor printers' replacement program which is to be delivered in the second half of the year.

Plant and Equipment maintenance is below budget for Parking Services \$59k in relation to Ticket Machines and Leisure Centre \$102k including \$60k for geothermal maintenance which was budgeted for January but will actually occur in April.

Waste Management is \$127k behind budget for the replacement of Refuse Bins, with other smaller variances spread across the organisation and are mainly due to timing differences.

- h) Other materials under budget are partly caused by materials being included in charges from External Contractors who invoice the City in total for work done.
- i) External Service Expenses are below budget for maintenance of Drainage \$120k, Footpaths \$76k and Parks & Natural Areas \$138k which are affected by seasonal factors and the prevailing dry conditions. In addition refuse removal charges are \$140k underspent owing to the costs being charged to Accommodation and Property (see a) above).

Maintenance of the City's Buildings and Facilities is running (\$86k) ahead of budget due to unplanned essential maintenance work.

Infrastructure expenditure is \$120k below budget due to delays with the tender for the collection of data relating to the City's road network audit, including inventory updates, condition rating and roughness testing.

Information Technology external services is \$68k below budget as projects are progressing later than planned in the budget.

Expenditure for Graffiti Removal is \$84k lower than budget with savings from reduced number of incidents and the Juvenile Justice Referral Program delivering part of the service. Expenditure for City Watch is \$30k below budget to date.



Tipping Fees for the City are \$77k below budget to date because actual charges vary with the seasonal volumes compared to phasing in the budget and delays in invoicing.

The remaining favourable variance includes \$114k for Leisure and Culture mainly due to cleaning at the Leisure Centre and the Midweek Lifeguard contract for which invoice are yet to be processed. The balance of the variance is spread across a number of areas.

- j) Waste Management charges from the City of Wanneroo are \$391k under budget largely due to the reversal of an over accrual of expenditure in June 2010 of \$180k for the MRF recycling costs to be adjusted in the mid-year budget review. Other variances are a result of timing differences and are expected to be spent by the end of the financial year.
- k) This unfavourable variance relates to the correction of an over accrual of grants receivable in 2009/10.
- l) This favourable variance includes \$67k for parts, repairs and servicing costs that have been lower than expected and \$21k for fuel due to prices being below the budget estimate.

Other variances are spread across a number of different areas and are not material.

8. Utilities

	YTD Adopted Budget	YTD Actual	Variance
a) Electricity	\$2,683k	\$2,536k	\$147k
b) Gas and Water	\$253k	\$175k	\$78k
	<u>\$2,936k</u>	<u>\$2,711k</u>	<u>\$225k</u>

Overall Utility costs for the City are below budget in a number of areas partly due to over estimation of expenses and timing differences.

9. Capital Grants and Subsidies

	YTD Adopted Budget	YTD Actual	Variance
a) Ocean Reef Marina Development	\$600k	-	(\$600k)
b) Major Projects Program	-	\$1,411k	\$1,411k
c) Major Road Construction	\$2,081k	\$912k	(\$1,169k)
d) Road Preservation & Resurfacing Program	\$1,866k	\$1,590k	(\$276k)
e) Blackspot Program	\$621k	\$21k	(\$600k)
Other	\$24k	-	(\$24k)
	<u>\$5,192k</u>	<u>\$3,934k</u>	<u>(\$1,258k)</u>



- a) It is anticipated that only \$100k grant revenue will be received this year for the Ocean Reef Marina project.
- b) The City received progress payments of \$1,305k for the Regional Local Community Infrastructure Projects at Seacrest Park, Macdonald Reserve and Forrest Park which were budgeted to be received in 2009/10.

Additional Federal grants of \$106k have been received under the Regional Local Communities Infrastructure Program for the installation of Photovoltaic systems at Penistone Clubrooms, Rob Baddock Community Hall and Connolly Community Centre.

- c) The grant received to date for the Moore Drive East project has exceeded budget by \$141k. The grants for Burns Beach Road East (\$1,060k) and Connolly Drive (\$250k) will be received later than anticipated in the budget.
- d) This unfavourable variance is predominantly due to the State Local Roads Grant being received quarterly compared to the budget which is phased according to work schedules.
- e) This unfavourable variance includes (\$144k) for Traffic Management work on Craigie Drive, Gradient Way to Barwon Road as the grant was received in the previous financial year. Also included is (\$80k) for Whitfords - Endeavour Traffic Signals of which only \$47k is anticipated to be received this year as part was received in the previous financial year.

Marmion Avenue / Hepburn Avenue revenue is (\$37k) below budget as work on the project is forecast to commence later than budgeted and grants will be claimed in the 2011/12 financial year. The remaining balance of the variance is mainly due to the timing of actual claims against budget phasing.

10. Capital Projects

	YTD Adopted Budget	YTD Actual	Variance
a) Ocean Reef Marina Development	\$1,435k	\$198k	\$1,237k
b) Joondalup Performing Arts & Cultural Facility	\$100k	\$4k	\$96k
c) Cafes, Restaurants & Kiosks	\$77k	\$9k	\$68k
d) Upgrade to the Wanneroo Materials Recycling Facility	\$245k	-	\$245k
e) Joondalup City Centre Commercial Office Development	\$123k	\$55k	\$68k
f) Infringement Issuing System	\$150k	-	\$150k
g) Gym Equipment Upgrade - Stage 3	\$98k	\$34k	\$64k
h) Video Surveillance MacNaughton Park	-	\$75k	(\$75k)
Other Projects – not material	\$512k	\$479k	\$33k
	<u>\$2,740k</u>	<u>\$854k</u>	<u>\$1,886k</u>



- a) External consultants are still to provide the scope of works for the revised plan to progress the project in accordance with Council decisions.
- b) Council has endorsed the appointment of and Terms of Reference for the Project Steering Committee. Tasks to be undertaken will be considered by this Committee in due course.
- c) A review of the Project Plan was undertaken and work on the preparation of the preliminary site assessment report has commenced.
- d) The outcome of the tender for the glass cleaning project at the Materials Recycling Facility is currently being considered.
- e) The City is currently awaiting notification from the Department of Treasury and Finance regarding the submitted expression of interest for the provision of leased office accommodation in metropolitan activity centres.
- f) The tender for the Infringement Issuing System has been awarded. It is anticipated that the system will be implemented during May 2011.
- g) The majority of the replacement gym equipment was installed in December however payment is yet to be made.
- h) Expenditure occurred on Video Surveillance equipment at MacNaughton Park, Kinross. This expenditure is funded by a grant received from the Office of Crime Prevention in the previous financial year.

11. Capital Works

	YTD Adopted Budget	YTD Actual	Variance
a) Major Road Construction	\$3,640k	\$3,016k	\$624k
b) Traffic Management Program	\$2,525k	\$992k	\$1,533k
c) Parks Equipment Program	\$1,224k	\$615k	\$609k
d) Road Preservation / Resurfacing Program	\$2,969k	\$2,062k	\$907k
e) Bridges Program	\$354k	-	\$354k
f) Foreshore and Natural Areas Management	\$402k	\$170k	\$232k
g) Streetscape Enhancement	\$396k	\$175k	\$221k
h) Major Building Capital Works	\$1,970k	\$1,010k	\$960k
i) Major Projects	\$5,373k	\$3,044k	\$2,329k
Other Works variances - not material	\$1,267k	\$1,002k	\$265k
	\$20,120k	\$12,086k	\$8,034k

- a) The Burns Beach Road (East) project has a favourable variance of \$204k as additional expenditure was actually incurred in 2009/10. The project is largely complete and any outstanding commitments will be paid in the coming months.

Work has commenced on the Moore Drive / Connolly Drive dual carriageway with construction of the project extending until May 2011, giving a \$396k favourable timing variance to budget.



It should be noted that at the end of January 2011 there was \$1.9 million of purchase order commitments that are not reflected in the actual expenditure on Major Road Construction.

- b) The work budgeted in July for Craigie Drive; Gradient Way to Barwon Road was actually completed and the grant claimed in the previous year, resulting in expenditure being \$135k below budget.

A favourable variance of \$105k occurred on Duffy Terrace, Whitfords Avenue to Woodvale Drive. The project is complete however invoices are yet to be received.

A favourable variance of \$972k occurred on the Major Traffic Management program predominantly due to a number of projects where work has commenced later than expected including Timberlane Drive - Trappers Drive (North) \$164k, Lillburne Road - Warwick Road to Hepburn Avenue \$112k and Kingsley Drive \$196k. These projects are forecast to be complete this financial year.

State Blackspot Projects commenced behind the budget schedule including work in Edgewater Drive \$77k and Bluemount Drive \$26k which are currently being progressed. Variances on a range of other projects that have either commenced or are currently being designed amount to \$118k.

Favourable timing variances arose on Craigie Drive/Haddington Street \$80k and Oceanside Parade \$20k as work on these projects will not commence this financial year.

- c) This variance includes Revegetation of Sumps \$53k where work is continuing and the Floodlight and Pole replacement program \$131k. Expenditure is yet to occur for various Tennis Court Resurfacing and Fencing projects and the replacement of pads and synthetic mats for various Cricket Wickets across the City which are due to be completed at the end of the cricket season.
- d) The road resurfacing program was previously delayed by weather conditions earlier in the year with commitments of \$382k to be progressed. Constellation Drive - Hodges Dr to Shenton Ave shows a variance of \$352k and is expected to be completed at the end of March 2011.
- e) The Bridges program was delayed owing to difficulty experienced in availability of contractors and is now forecast to be completed in March 2011.
- f) This variance is mainly due to a favourable timing variance \$177k which occurred on the North Marmion Beach redevelopment due to changes in the scope of work. Civil work is complete however the revegetation of the dunes cannot be completed until the winter months.
- g) The Streetscape Enhancement program favourable variance includes \$79k for Hodges Drive landscaping due to difficulties in obtaining the required plant species which will now be completed in June 2011. The projects for Central Walk Lighting and Renewal Works are currently being reviewed.



- h) Expenditure is below budget \$150k for the Replacement of the Council Chamber Chiller Compressors and \$77k for the Mullaloo Surf Life Saving Club repainting which were completed in 2009/2010.

The replacement of the Asbestos Cement at the Joondalup Administration Centre was completed \$128k below budget.

The balance of the favourable variance is spread across a number of other projects, and is mainly as a result of the timing of the actual works against budget phasing.

- i) Progress payments for the Regional Local Community Infrastructure Projects at Seacrest Park Community Sporting Facility, Forrest Park Clubrooms, Fleur Freame Pavilion and Gibson Park Community Centre are behind budget phasing by \$2,329k. All projects are forecast to be complete this financial year.

It should be noted that at the end of January 2011 there was \$1.8 million of purchase order commitments that are not reflected in the actual expenditure across the four Regional Local Community Infrastructure Projects.

12. Motor Vehicle Replacements

Two Isuzu trucks \$155k budgeted to be replaced this financial year were actually replaced in the previous financial year.

The balance of the variance is mainly due to timing differences compared to the original budget. Order commitments are \$499k at the end of the reporting period.

13. Loan Funds

The budget provided for the earlier funding of the City share of the Regional Community Local infrastructure Projects \$2.9 million which will now occur in March 2011.



14. Closing Funds

	Actual
Current Assets	
Cash Assets	\$92,312k
Rates and Sundry Debtors	\$10,900k
GST Receivable	\$378k
Accrued Income	\$1,794k
Advances and Prepayments	\$272k
	\$105,656k
Less: Current Liabilities	
Creditors	(\$806k)
Sundry Payables	(\$5,782k)
Provisions - Annual Leave	(\$2,771k)
Provisions - Other	(\$4,836k)
Accrued Expenses	(\$4,461k)
Borrowings	(\$582k)
GST Payable	(\$74k)
	(\$19,312k)
Net Current Assets	\$86,344k
Less: Borrowings	(\$608k)
Restricted Assets	(\$40,849k)
Closing Funds - Surplus	\$44,887k
Non Current adjustments to closing funds	
Less: Provision for Long Service Leave	(\$135k)
Less : Recovery of MRF contribution	(\$60k)
Adjusted Closing Funds - Surplus	\$44,692k