



# City of Joondalup

Financial Activity Statement for the  
Period Ended 31 March 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 March 2011

	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>						
Rates		(69,652,632)	(69,649,832)	(69,825,755)	175,923	0%
Grants and Subsidies		(3,173,691)	(2,358,875)	(2,280,020)	(78,855)	(3)%
Contributions Reimbursements and Donations	1	(2,372,455)	(1,931,155)	(2,283,864)	352,709	18%
Profit on Asset Disposals		(96,967)	(24,733)	(26,467)	1,734	7%
Fees and Charges		(29,596,529)	(26,414,262)	(26,531,908)	117,646	0%
Investment Earnings	2	(4,189,768)	(3,494,090)	(4,208,362)	714,272	20%
Other Revenue/Income		(174,896)	(135,478)	(144,391)	8,913	7%
<b>Total Operating Revenue</b>		<b>(109,256,937)</b>	<b>(104,008,426)</b>	<b>(105,300,767)</b>	<b>1,292,342</b>	<b>1%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	3	45,011,091	33,934,890	32,306,706	1,628,184	5%
Materials and Contracts	4	41,888,308	29,917,593	27,920,575	1,997,018	7%
Utilities (gas, electricity, water etc.)		4,560,824	3,391,146	3,431,860	(40,715)	(1)%
Depreciation of Non-Current Assets		23,037,302	17,143,419	17,019,544	123,875	1%
Loss on Asset Disposal		135,614	69,693	65,628	4,065	6%
Interest Expenses	5	692,758	506,071	443,955	62,116	12%
Insurance Expenses		1,250,850	1,250,207	1,259,668	(9,461)	(1)%
<b>Total Operating Expenses</b>		<b>116,576,747</b>	<b>86,213,018</b>	<b>82,447,936</b>	<b>3,765,082</b>	<b>4%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>7,319,810</b>	<b>(17,795,407)</b>	<b>(22,852,831)</b>	<b>5,057,424</b>	<b>28%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation on Assets		(23,037,302)	(17,143,419)	(17,019,544)	(123,875)	(1)%
Loss on Asset Disposal		(135,614)	(69,693)	(65,628)	(4,065)	(6)%
Profit on Asset Disposals		96,967	24,733	26,467	(1,734)	7%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(15,756,140)</b>	<b>(34,983,787)</b>	<b>(39,911,536)</b>	<b>4,927,749</b>	<b>14%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies	6	(9,263,996)	(5,962,944)	(4,659,274)	(1,303,670)	(22)%
Capital Contributions		(25,000)	-	-	-	-
Acquired Infrastructure Assets		(1,300,000)	-	-	-	-
<b>Total Non-Operating Revenue</b>		<b>(10,588,996)</b>	<b>(5,962,944)</b>	<b>(4,659,274)</b>	<b>(1,303,670)</b>	<b>(22)%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	7	3,552,236	1,716,431	1,014,329	702,102	41%
Capital Works	8	28,828,183	21,089,269	16,078,319	5,010,950	24%
Motor Vehicle Replacements		1,907,441	628,441	631,849	(3,407)	(1)%
Loan Repayment Principal		1,279,959	926,659	886,279	40,380	4%
Equity Investments		-	-	16,401	(16,401)	-
<b>Total Capital Expenditure</b>		<b>35,567,819</b>	<b>24,360,801</b>	<b>18,627,176</b>	<b>5,733,624</b>	<b>24%</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>24,978,824</b>	<b>18,397,857</b>	<b>13,967,902</b>	<b>4,429,954</b>	<b>24%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>9,222,684</b>	<b>(16,585,930)</b>	<b>(25,943,634)</b>	<b>9,357,704</b>	<b>56%</b>
<b>FUNDING</b>						
Proceeds from Disposal		(410,887)	(308,164)	(214,667)	(93,497)	(30)%
Loan Funds		(2,924,000)	(2,924,000)	(2,924,000)	-	0%
Transfer from Reserve		(13,232,843)	-	-	-	-
Transfer to Reserve		10,652,502	-	-	-	-
Transfer to Accumulated Surplus		1,300,000	-	-	-	-
Opening Funds		(4,608,378)	(4,608,378)	(4,608,378)	-	0%
<b>CLOSING FUNDS</b>	9	<b>(922)</b>	<b>(24,426,472)</b>	<b>(33,690,679)</b>	<b>9,264,207</b>	<b>38%</b>

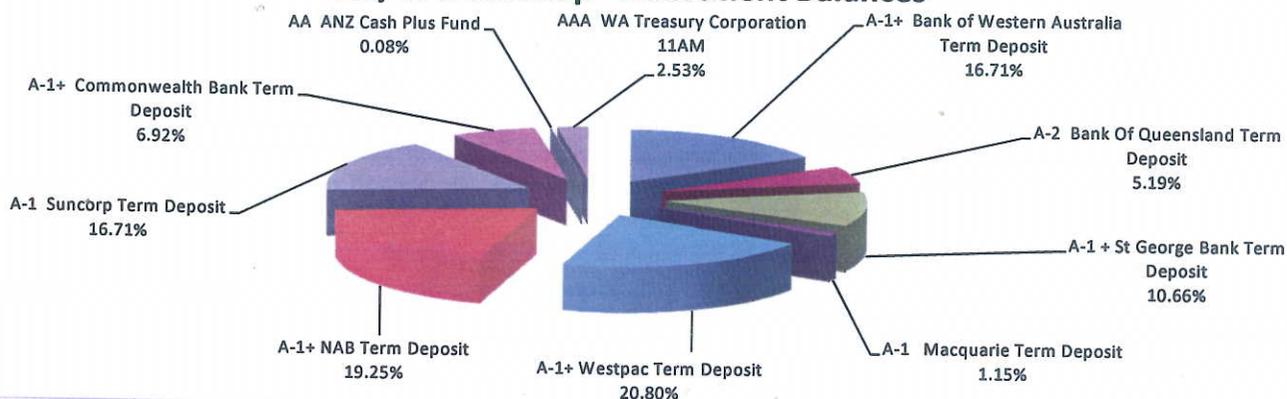


# Investment Summary

CITY OF JOONDALUP  
March-11

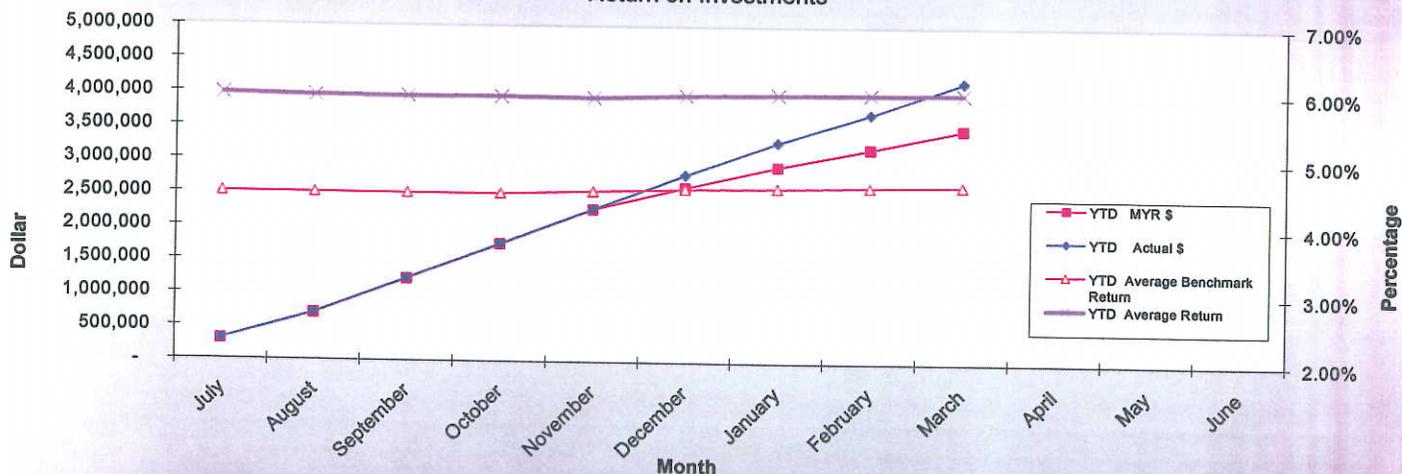
Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
A-1+ Bank of Western Australia Term Deposit	5.99%	6.06%	\$ 14,500,000	16.71%	20%
A-2 Bank Of Queensland Term Deposit	6.30%	6.18%	\$ 4,500,000	5.19%	10%
A-1 + St George Bank Term Deposit	6.00%	5.86%	\$ 9,250,000	10.66%	20%
A-1 Macquarie Term Deposit	6.14%	6.09%	\$ 1,000,000	1.15%	15%
A-1+ Westpac Term Deposit	6.13%	6.06%	\$ 18,050,000	20.80%	20%
A-1+ NAB Term Deposit	6.12%	6.03%	\$ 16,700,000	19.25%	20%
A-1 Suncorp Term Deposit	6.21%	6.20%	\$ 14,500,000	16.71%	15%
A-1+ Commonwealth Bank Term Deposit	5.96%	5.75%	\$ 6,000,000	6.92%	20%
AA ANZ Cash Plus Fund	6.98%	5.34%	\$ 66,999	0.08%	20%
AAA WA Treasury Corporation 11AM	4.70%	4.59%	\$ 2,193,000	2.53%	20%
<b>Total Investment Portfolio</b>	<b>6.06%</b>	<b>6.00%</b>	<b>86,759,999</b>	<b>100.00%</b>	
<b>Municipal Funds</b>			<b>46,611,235</b>		
<b>Reserve Funds</b>			<b>40,148,764</b>		
			<b>86,759,999</b>		

## City of Joondalup - Investment Balances



Month	MTD MYR \$	MTD Actual \$	YTD MYR \$	YTD Actual \$	YTD Average Benchmark Return	YTD Average Return
July	294,834	298,637	294,834	298,637	4.50%	5.96%
August	398,756	400,613	693,590	699,249	4.50%	5.94%
September	522,779	521,996	1,216,369	1,221,245	4.50%	5.94%
October	528,144	528,372	1,744,514	1,749,617	4.50%	5.95%
November	526,946	527,724	2,271,459	2,277,342	4.54%	5.93%
December	333,292	512,841	2,604,752	2,790,183	4.58%	5.97%
January	314,296	491,453	2,919,047	3,281,636	4.60%	5.99%
February	269,491	427,356	3,188,538	3,708,992	4.62%	6.00%
March	285,230	474,521	3,473,768	4,183,513	4.64%	6.00%

## Return on Investments





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

**1. Contributions, Reimbursements & Donations**

	YTD Revised Budget	YTD Actual	Variance
a) Sale of Recyclables Materials	\$981k	\$1,367	\$386k
b) Utility Charge	\$95k	\$65k	(\$30k)
Other Contributions, Reimbursements & Donations	\$855k	\$852k	(\$3k)
	<u>\$1,931k</u>	<u>\$2,284k</u>	<u>\$353k</u>

- a) The Sale of Recyclable Materials exceeded budget by \$386k mainly due to strong prices compared to those anticipated in the budget.
- b) This unfavourable variance relates to the timing of charges raised by Asset Management (\$20k) and Leisure Centre cafe facilities (\$10k) due to corrections for prior years.

**2. Investment Earnings**

Investment income exceeded budget by \$714k, as the volume of funds invested is higher than budget mainly owing to lower expenditure to date.

**3. Employee Costs**

	YTD Revised Budget	YTD Actual	Variance
a) Salaries & Wages	\$31,499k	\$30,037k	\$1,462k
b) Other Employment Costs	\$2,436k	\$2,270k	\$166k
	<u>\$33,935k</u>	<u>\$32,307k</u>	<u>\$1,628k</u>

- a) This variance is due to a combination of vacancies during the period and budgeted salary increases from 1 July 2010 for the inside workforce that are yet to occur.
- b) Favourable Other Employment Cost variances include Staff Training \$107k, Conferences and Seminars \$26k, Staff Recruitment \$34k and Uniforms and Protective Clothing \$53k partially offset by Provision for Employee Leave Entitlements (\$80k).



#### 4. Materials and Contracts

	YTD Revised Budget	YTD Actual	Variance
a) Administration	\$800k	\$717k	\$83k
b) Accommodation & Property	\$662k	\$607k	\$55K
c) Professional Fees & Costs	\$1,392k	\$1,179k	\$213k
d) Public Relations, Advertising & Promotions	\$749k	\$608k	\$141k
e) Computing	\$947k	\$839k	\$108k
f) Furniture, Equipment and Artworks	\$1,259k	\$1,038k	\$221k
g) Travel, Vehicles & Plant	\$1,065k	\$1,002k	\$63k
h) External Service Expenses	\$13,275k	\$12,301k	\$974k
i) Service Charges from Other Councils	\$6,004k	\$6,084k	(\$80k)
Other Variances - not material	\$3,765k	\$3,546k	\$219k
	<u>\$29,918k</u>	<u>\$27,921k</u>	<u>\$1,997k</u>

- a) Printing costs for the City are \$57k below budget. This includes \$19k for civic functions and ceremonies, \$11k for Waste Management and \$11k for Community Development & Libraries.

The variance also includes Photography and Video Production which is \$23k below and is dependant on timing of events. The remaining balance is spread across a number of areas.

- b) This favourable variance includes lease payments to Landcorp in relation to Lot 701, 380 Joondalup Drive \$32k and the Works Operation Centre \$8k. This variance also includes Refuse Removal charges \$6k and Security costs \$4k
- c) Consultancy expenditure is \$166k below budget over a range of projects and is dependant on progress of projects including Currambine Community Centre \$30k, Jack Kikeros Hall \$30k, Percy Doyle Reserve Master Plan and Grandstand \$30k and Activity Centres Strategy and Centre Plans \$25k.

Fines Enforcement Registry Lodgement Fees and Licence Searches are \$18k below budget due to timing of invoices. Other favourable variances include Legal Expenses \$21k and recoverable Legal Expenses for rates collection \$9k.

- d) General and Public / Statutory Advertising is \$36k below budget for the City including \$40k for several Cultural Services events for which advertising is received in kind and is offset by sponsorship income that will not be received. The balance is spread across a number of areas.

Other favourable variances occurred for Promotions \$50k, Catering \$33k and Signage and Decals \$20k and are spread across a number of areas..

- e) The favourable variance of \$70k for Computer Software Licenses includes \$46k for purchases for which invoices are yet to be received and \$13k for the Library Management System upgrade that has been delayed until May 2011. A favourable variance also occurred for Software Maintenance costs \$17k mainly attributable to the timing of invoices received.



Internet Provider costs are \$9k below budget with the balance of the favourable variance spread across a number of areas.

- f) Computer equipment purchases are \$82k below budget including \$51k for deliveries that have yet to be invoiced and the balance is spread across a number of areas.

Plant and Equipment maintenance is below budget for Leisure Centres \$81k including \$60k for geothermal maintenance which was budgeted for January but will actually occur in April and \$35k for the maintenance of pay and display parking terminals.

A favourable variance has occurred on Plant and Equipment purchases \$58k which includes a timing variance of \$30k at the Leisure Centres for gym TV's and group fitness equipment and the balance is spread over a number of areas.

An unfavourable variance of (\$48k) occurred for the Hire of Equipment predominantly due to the budget phasing for events including Joondalup Festival (\$21k) and Summer Concerts (\$35k).

Other smaller variances are spread across the organisation and are mainly due to timing differences.

- g) This favourable variance is due to savings for vehicle and plant parts \$73k that is partially offset by Fuel costs which are (\$13k) over budget due to recent price increases.
- h) Operation Services external service expenses are \$357k below budget. This includes \$235k for Turf renovation and maintenance and \$96k for Irrigation bores and pumps for which work is scheduled over the coming months.

A favourable timing variance to budget of \$205k occurred as a result of tenders for road network audit, inventory updates and condition data collection still being assessed. In addition training and documentation for the parks inventory tender and paths survey quotation are still in progress. Other favourable variances occurred due to Traffic Engineering road counts, audits and videos \$25k being charged under Professional Fees and Costs and lower asbestos and rubbish collections \$30k.

Information Technology external services is below budget as projects are progressing later than planned in the budget, this includes Technology One projects \$36k with the version upgrade postponed until June and Centaman \$22k.

Graffiti Removal is \$66k lower than budget attributable to March invoices to be received, the reduced number of incidents and the Juvenile Justice Referral Program delivering part of the service. Expenditure to undertake bushfire clearance is \$35k underspent and a favourable phasing variance occurred for City Watch \$15k for which the contract is due to increase from 1 April 2011.



Unfavourable variances due to the phasing of the budget occurred for cultural program activities (\$121k) for the Joondalup Festival and (\$18k) production costs for the Sunset Markets.

Tipping Fees (Domestic and Bulk) are \$286k below budget due to seasonal factors affecting the tonnes collected compared to budget.

- i) The Materials Recovery Facility operating costs are (\$406k) higher than forecast predominantly as a result of significant disposal costs associated with glass due to the unavailability of the Colmax glass recycling plant which is a lower cost alternative. Collection costs for domestic, bulk and weekend green waste are \$326k below budget as actual tonnes collected are below the forecast tonnes.

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

## 5. Interest Expenses

Savings in interest arises from the timing of the loan for the three Regional Local Community Infrastructure Projects at Seacrest Community Sports Facility, Forrest Park Clubrooms and Fleur Freame Pavilion which was drawn down in March 2011.

## 6. Capital Grants and Subsidies

	YTD Revised Budget	YTD Actual	Variance
a) Major Projects Program	\$913k	\$1,305k	\$392k
b) Major Road Construction	\$1,972k	\$912k	(\$1,060k)
c) Blackspot Program	\$366k	\$21k	(\$345k)
d) Road Preservation / Resurfacing Program	\$2,505k	\$2,315k	(\$190k)
Other	\$206k	\$106k	(\$100k)
	<u>\$5,962k</u>	<u>\$4,659k</u>	<u>(\$1,303k)</u>

- a) The City received progress payments for the Regional Local Community Infrastructure Projects at Seacrest Park, Macdonald Reserve and Forrest Park earlier than budget phasing.
- b) The grant for Burns Beach Road East (\$1,060k) is to be claimed in April 2011.
- c) This unfavourable variance is mainly due to the timing of actual claims against budget phasing, with the balances for Whitfords-Endeavour (\$48k), Canham Way (\$18k) and Duffy terrace (\$156k) to be claimed in April 2011.
- d) Roads to Recovery grants are under budget due to a combination of projects not due to be completed until the end of June 2011.



## 7. Capital Projects

	YTD Revised Budget	YTD Actual	Variance
a) Ocean Reef Marina Development	\$514k	\$235k	\$279k
b) Joondalup City Centre Commercial Office Development	\$165k	\$50k	\$115k
c) Infringement Issuing System	\$150k	-	\$150k
d) Cafes/Restaurants/Kiosks	\$69k	\$14k	\$55k
Other Projects – not material	\$818k	\$715k	\$103k
	<u>\$1,716k</u>	<u>\$1,014k</u>	<u>\$702k</u>

- a) The City is currently awaiting feedback from the State Government relative to the recent briefing meeting. External consultants are currently finalising the tasks and timelines required for the next phase of the project.
- b) The City has received notification from the Department of Treasury and Finance that the expressions of interest have been placed on hold pending further decisions in relation to the Government's office accommodation requirements. Progress on this project is subject to a review of the Project Plan in light of the Department's decision.
- c) Preparation for the introduction of the Infringement Issuing System is continuing. The format of the new infringement notices has been finalised and sent to the printers. Implementation of the system is planned for May 2011.
- d) The draft preliminary site assessment report has been prepared for approval before progressing to the next stage.

## 8. Capital Works

	YTD Revised Budget	YTD Actual	Variance
a) Major Road Construction	\$4,936k	\$4,448k	\$488k
b) Traffic Management Program	\$2,099k	\$1,334k	\$765k
c) Parks Equipment Program	\$1,146k	\$658k	\$488k
d) Road Preservation / Resurfacing Program	\$3,115k	\$2,739k	\$376k
e) Bridges Program	\$352k	\$21k	\$331k
f) Foreshore and Natural Areas Management	\$527k	\$180k	\$347k
g) Stormwater Drainage	\$610k	\$263k	\$347k
h) Streetscape Enhancement	\$512k	\$221k	\$291k
i) Paths Program	\$628k	\$131k	\$497k
j) Major Building Capital Works	\$1,676k	\$1,166k	\$510k
k) Major Projects	\$4,446k	\$4,046k	\$400k
Other Works variances - not material	\$1,042k	\$871k	\$171k
	<u>\$21,089k</u>	<u>\$16,078k</u>	<u>\$5,011k</u>

It should be noted that at the end of March 2011 there was \$4.9 million of purchase order commitments not included in actual capital works expenditure. This includes Major Road Construction \$854k, Road Preservation and Resurfacing \$937k and RLCIP Major Projects \$1,077k.



- a) Favourable variances to budget have occurred on Moore Drive / Connolly Drive dual carriageway \$420k due to late submission of contractor invoices and Burns Beach Road (East) \$52k.
- b) A favourable variance of \$592k occurred on the Traffic Management program including Lillburne Road - Warwick Road to Hepburn Avenue \$162k and Kingsley Drive \$207k which have forecast completion dates of June 2011.

State Blackspot project expenditure is behind the budget schedule including Marmion Avenue / Seacrest Drive \$75k which is expected to be completed in April 2011, plus Edgewater Drive (Ocean Reef Road to Wedgwood Drive) \$41k and Duffy Terrace (Whitfords Avenue to Woodvale Drive) \$63k.

- c) The Floodlight and Pole Replacement program has a favourable variance of \$190k and has been identified as a carry forward due to difficulties with the design. Several projects for football and soccer goals \$72k have been completed however invoices have yet to be received. The Improved Access to various parks project is below budget \$29k and is expected to be complete in April 2011. The remaining variance is spread across a number of projects.
- d) Mattison Way asphalt overlay was complete in March however outstanding commitments total \$100k. The road resurfacing program is progressing with commitments of \$936k at the end of the period and all projects are on track to be completed by the end of June.
- e) The Bridges program was delayed owing to difficulty experienced with the availability of contractors. Most of the work for this year is complete with invoices yet to be processed.
- f) This variance is mainly due to timing of the North Marmion Beach redevelopment \$208k following changes in the scope of work. Civil work is complete however the revegetation of the dunes cannot be completed until the winter months. Also Coastal Biodiversity Signage \$48k and Marmion / Sorrento Foreshore \$53k were delayed compared to budget.
- g) Year to date favourable timing variances to budget have occurred on the Stormwater Drainage Upgrades Program \$138k and work is expected to be completed in April 2011. Mirror Park \$93k is listed as a carry forward to next financial year and delays in the consultation phase for work at Blackboy Park has created a timing difference of \$69k. Geneff Park has a saving upon completion of approximately \$24k.
- h) The Streetscape Enhancement program is experiencing delays primarily due to the recent hot weather and planting is not anticipated until the next financial year. As such variances have occurred on a number of projects to be carried forward including Entry Statements \$113k and Burns Beach Road \$87k.
- i) The New Paths Program is below budget \$464k. This includes Burns Beach \$231k, delays have been experienced during the design phase, following which consultation with residents will take place before work can commence. Hepburn Ave is \$77k below budget and work is expected to be complete in April.



The Paths Replacement Program is \$33k below budget, all work is complete however there are still some outstanding invoices.

- j) Regional Local Community Infrastructure Projects for solar panels at Penistone Clubrooms, Rob Baddock Community Hall and Connolly Community Centre are \$90k below budget for the period. It is anticipated these funds will be committed in May 2011 and the panels installed during August 2011.

The balance of the variance is spread across a number of other projects and includes Warrandyte Park mini makeover \$108k, which is complete with the invoice to be paid in May. Whitfords Senior Citizens Centre \$71k is waiting installation of the air conditioner unit.

- k) 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 \$400k.



## 9. Closing Funds

	<b>Actual</b>
<b>Current Assets</b>	
Cash Assets	\$86,763k
Rates and Sundry Debtors	\$1,978k
GST Receivable	\$570k
Accrued Income	\$1,475k
Advances and Prepayments	\$260k
	<b>\$91,046k</b>
<b>Less: Current Liabilities</b>	
Creditors	(\$993k)
Sundry Payables	(\$1,566k)
Provisions - Annual Leave	(\$2,971k)
Provisions - Other	(\$4,763k)
Accrued Expenses	(\$4,600k)
Borrowings	(\$522k)
GST Payable	(\$99k)
	<b>(\$15,514k)</b>
<b>Net Current Assets</b>	<b>\$75,532k</b>
<b>Less: Borrowings</b>	(\$667k)
Restricted Assets	(\$40,849k)
<b>Closing Funds - Surplus</b>	<b>\$34,016k</b>
<b>Non Current adjustments to closing funds</b>	
Less: Provision for Long Service Leave	(\$127k)
Less : Recovery of MRF contribution	(\$198k)
<b>Adjusted Closing Funds - Surplus</b>	<b>\$33,691k</b>



#### 4. Materials and Contracts

	YTD Revised Budget	YTD Actual	Variance
a) Administration	\$800k	\$717k	\$83k
b) Accommodation & Property	\$662k	\$607k	\$55K
c) Professional Fees & Costs	\$1,392k	\$1,179k	\$213k
d) Public Relations, Advertising & Promotions	\$749k	\$608k	\$141k
e) Computing	\$947k	\$839k	\$108k
f) Furniture, Equipment and Artworks	\$1,259k	\$1,038k	\$221k
g) Travel, Vehicles & Plant	\$1,065k	\$1,002k	\$63k
h) External Service Expenses	\$13,275k	\$12,301k	\$974k
i) Service Charges from Other Councils	\$6,004k	\$6,084k	(\$80k)
Other Variances - not material	\$3,765k	\$3,546k	\$219k
	<u>\$29,918k</u>	<u>\$27,921k</u>	<u>\$1,997k</u>

- a) Printing costs for the City are \$57k below budget. This includes \$19k for civic functions and ceremonies, \$11k for Waste Management and \$11k for Community Development & Libraries.

The variance also includes Photography and Video Production which is \$23k below and is dependant on timing of events. The remaining balance is spread across a number of areas.

- b) This favourable variance includes lease payments to Landcorp in relation to Lot 701, 380 Joondalup Drive \$32k and the Works Operation Centre \$8k. This variance also includes Refuse Removal charges \$6k and Security costs \$4k
- c) Consultancy expenditure is \$166k below budget over a range of projects and is dependant on progress of projects including Currambine Community Centre \$30k, Jack Kikeros Hall \$30k, Percy Doyle Reserve Master Plan and Grandstand \$30k and Activity Centres Strategy and Centre Plans \$25k.

Fines Enforcement Registry Lodgement Fees and Licence Searches are \$18k below budget due to timing of invoices. Other favourable variances include Legal Expenses \$21k and recoverable Legal Expenses for rates collection \$9k.

- d) General and Public / Statutory Advertising is \$36k below budget for the City including \$40k for several Cultural Services events for which advertising is received in kind and is offset by sponsorship income that will not be received. The balance is spread across a number of areas.

Other favourable variances occurred for Promotions \$50k, Catering \$33k and Signage and Decals \$20k and are spread across a number of areas..

- e) The favourable variance of \$70k for Computer Software Licenses includes \$46k for purchases for which invoices are yet to be received and \$13k for the Library Management System upgrade that has been delayed until May 2011. A favourable variance also occurred for Software Maintenance costs \$17k mainly attributable to the timing of invoices received.



Internet Provider costs are \$9k below budget with the balance of the favourable variance spread across a number of areas.

- f) Computer equipment purchases are \$82k below budget including \$51k for deliveries that have yet to be invoiced and the balance is spread across a number of areas.

Plant and Equipment maintenance is below budget for Leisure Centres \$81k including \$60k for geothermal maintenance which was budgeted for January but will actually occur in April and \$35k for the maintenance of pay and display parking terminals.

A favourable variance has occurred on Plant and Equipment purchases \$58k which includes a timing variance of \$30k at the Leisure Centres for gym TV's and group fitness equipment and the balance is spread over a number of areas.

An unfavourable variance of (\$48k) occurred for the Hire of Equipment predominantly due to the budget phasing for events including Joondalup Festival (\$21k) and Summer Concerts (\$35k).

Other smaller variances are spread across the organisation and are mainly due to timing differences.

- g) This favourable variance is due to savings for vehicle and plant parts \$73k that is partially offset by Fuel costs which are (\$13k) over budget due to recent price increases.
- h) Operation Services external service expenses are \$357k below budget. This includes \$235k for Turf renovation and maintenance and \$96k for Irrigation bores and pumps for which work is scheduled over the coming months.

A favourable timing variance to budget of \$205k occurred as a result of tenders for road network audit, inventory updates and condition data collection still being assessed. In addition training and documentation for the parks inventory tender and paths survey quotation are still in progress. Other favourable variances occurred due to Traffic Engineering road counts, audits and videos \$25k being charged under Professional Fees and Costs and lower asbestos and rubbish collections \$30k.

Information Technology external services is below budget as projects are progressing later than planned in the budget, this includes Technology One projects \$36k with the version upgrade postponed until June and Centaman \$22k.

Graffiti Removal is \$66k lower than budget attributable to March invoices to be received, the reduced number of incidents and the Juvenile Justice Referral Program delivering part of the service. Expenditure to undertake bushfire clearance is \$35k underspent and a favourable phasing variance occurred for City Watch \$15k for which the contract is due to increase from 1 April 2011.



Unfavourable variances due to the phasing of the budget occurred for cultural program activities (\$121k) for the Joondalup Festival and (\$18k) production costs for the Sunset Markets.

Tipping Fees (Domestic and Bulk) are \$286k below budget due to seasonal factors affecting the tonnes collected compared to budget.

- i) The Materials Recovery Facility operating costs are (\$406k) higher than forecast predominantly as a result of significant disposal costs associated with glass due to the unavailability of the Colmax glass recycling plant which is a lower cost alternative. Collection costs for domestic, bulk and weekend green waste are \$326k below budget as actual tonnes collected are below the forecast tonnes.

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

## 5. Interest Expenses

Savings in interest arises from the timing of the loan for the three Regional Local Community Infrastructure Projects at Seacrest Community Sports Facility, Forrest Park Clubrooms and Fleur Freame Pavilion which was drawn down in March 2011.

## 6. Capital Grants and Subsidies

	YTD Revised Budget	YTD Actual	Variance
a) Major Projects Program	\$913k	\$1,305k	\$392k
b) Major Road Construction	\$1,972k	\$912k	(\$1,060k)
c) Blackspot Program	\$366k	\$21k	(\$345k)
d) Road Preservation / Resurfacing Program	\$2,505k	\$2,315k	(\$190k)
Other	\$206k	\$106k	(\$100k)
	<u>\$5,962k</u>	<u>\$4,659k</u>	<u>(\$1,303k)</u>

- a) The City received progress payments for the Regional Local Community Infrastructure Projects at Seacrest Park, Macdonald Reserve and Forrest Park earlier than budget phasing.
- b) The grant for Burns Beach Road East (\$1,060k) is to be claimed in April 2011.
- c) This unfavourable variance is mainly due to the timing of actual claims against budget phasing, with the balances for Whitfords-Endeavour (\$48k), Canham Way (\$18k) and Duffy terrace (\$156k) to be claimed in April 2011.
- d) Roads to Recovery grants are under budget due to a combination of projects not due to be completed until the end of June 2011.



## **7. Capital Projects**

	YTD Revised Budget	YTD Actual	Variance
a) Ocean Reef Marina Development	\$514k	\$235k	\$279k
b) Joondalup City Centre Commercial Office Development	\$165k	\$50k	\$115k
c) Infringement Issuing System	\$150k	-	\$150k
d) Cafes/Restaurants/Kiosks	\$69k	\$14k	\$55k
Other Projects – not material	\$818k	\$715k	\$103k
	<u>\$1,716k</u>	<u>\$1,014k</u>	<u>\$702k</u>

- a) The City is currently awaiting feedback from the State Government relative to the recent briefing meeting. External consultants are currently finalising the tasks and timelines required for the next phase of the project.
- b) The City has received notification from the Department of Treasury and Finance that the expressions of interest have been placed on hold pending further decisions in relation to the Government's office accommodation requirements. Progress on this project is subject to a review of the Project Plan in light of the Department's decision.
- c) Preparation for the introduction of the Infringement Issuing System is continuing. The format of the new infringement notices has been finalised and sent to the printers. Implementation of the system is planned for May 2011.
- d) The draft preliminary site assessment report has been prepared for approval before progressing to the next stage.

## **8. Capital Works**

	YTD Revised Budget	YTD Actual	Variance
a) Major Road Construction	\$4,936k	\$4,448k	\$488k
b) Traffic Management Program	\$2,099k	\$1,334k	\$765k
c) Parks Equipment Program	\$1,146k	\$658k	\$488k
d) Road Preservation / Resurfacing Program	\$3,115k	\$2,739k	\$376k
e) Bridges Program	\$352k	\$21k	\$331k
f) Foreshore and Natural Areas Management	\$527k	\$180k	\$347k
g) Stormwater Drainage	\$610k	\$263k	\$347k
h) Streetscape Enhancement	\$512k	\$221k	\$291k
i) Paths Program	\$628k	\$131k	\$497k
j) Major Building Capital Works	\$1,676k	\$1,166k	\$510k
k) Major Projects	\$4,446k	\$4,046k	\$400k
Other Works variances - not material	\$1,042k	\$871k	\$171k
	<u>\$21,089k</u>	<u>\$16,078k</u>	<u>\$5,011k</u>

It should be noted that at the end of March 2011 there was \$4.9 million of purchase order commitments not included in actual capital works expenditure. This includes Major Road Construction \$854k, Road Preservation and Resurfacing \$937k and RLCIP Major Projects \$1,077k.



- a) Favourable variances to budget have occurred on Moore Drive / Connolly Drive dual carriageway \$420k due to late submission of contractor invoices and Burns Beach Road (East) \$52k.
- b) A favourable variance of \$592k occurred on the Traffic Management program including Lillburne Road - Warwick Road to Hepburn Avenue \$162k and Kingsley Drive \$207k which have forecast completion dates of June 2011.

State Blackspot project expenditure is behind the budget schedule including Marmion Avenue / Seacrest Drive \$75k which is expected to be completed in April 2011, plus Edgewater Drive (Ocean Reef Road to Wedgwood Drive) \$41k and Duffy Terrace (Whitfords Avenue to Woodvale Drive) \$63k.

- c) The Floodlight and Pole Replacement program has a favourable variance of \$190k and has been identified as a carry forward due to difficulties with the design. Several projects for football and soccer goals \$72k have been completed however invoices have yet to be received. The Improved Access to various parks project is below budget \$29k and is expected to be complete in April 2011. The remaining variance is spread across a number of projects.
- d) Mattison Way asphalt overlay was complete in March however outstanding commitments total \$100k. The road resurfacing program is progressing with commitments of \$936k at the end of the period and all projects are on track to be completed by the end of June.
- e) The Bridges program was delayed owing to difficulty experienced with the availability of contractors. Most of the work for this year is complete with invoices yet to be processed.
- f) This variance is mainly due to timing of the North Marmion Beach redevelopment \$208k following changes in the scope of work. Civil work is complete however the revegetation of the dunes cannot be completed until the winter months. Also Coastal Biodiversity Signage \$48k and Marmion / Sorrento Foreshore \$53k were delayed compared to budget.
- g) Year to date favourable timing variances to budget have occurred on the Stormwater Drainage Upgrades Program \$138k and work is expected to be completed in April 2011. Mirror Park \$93k is listed as a carry forward to next financial year and delays in the consultation phase for work at Blackboy Park has created a timing difference of \$69k. Geneff Park has a saving upon completion of approximately \$24k.
- h) The Streetscape Enhancement program is experiencing delays primarily due to the recent hot weather and planting is not anticipated until the next financial year. As such variances have occurred on a number of projects to be carried forward including Entry Statements \$113k and Burns Beach Road \$87k.
- i) The New Paths Program is below budget \$464k. This includes Burns Beach \$231k, delays have been experienced during the design phase, following which consultation with residents will take place before work can commence. Hepburn Ave is \$77k below budget and work is expected to be complete in April.



The Paths Replacement Program is \$33k below budget, all work is complete however there are still some outstanding invoices.

- j) Regional Local Community Infrastructure Projects for solar panels at Penistone Clubrooms, Rob Baddock Community Hall and Connolly Community Centre are \$90k below budget for the period. It is anticipated these funds will be committed in May 2011 and the panels installed during August 2011.

The balance of the variance is spread across a number of other projects and includes Warrandyte Park mini makeover \$108k, which is complete with the invoice to be paid in May. Whitfords Senior Citizens Centre \$71k is waiting installation of the air conditioner unit.

- k) 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 \$400k.



### 9. Closing Funds

	<b>Actual</b>
<b>Current Assets</b>	
Cash Assets	\$86,763k
Rates and Sundry Debtors	\$1,978k
GST Receivable	\$570k
Accrued Income	\$1,475k
Advances and Prepayments	\$260k
	<b>\$91,046k</b>
<b>Less: Current Liabilities</b>	
Creditors	(\$993k)
Sundry Payables	(\$1,566k)
Provisions - Annual Leave	(\$2,971k)
Provisions - Other	(\$4,763k)
Accrued Expenses	(\$4,600k)
Borrowings	(\$522k)
GST Payable	(\$99k)
	<b>(\$15,514k)</b>
<b>Net Current Assets</b>	<b>\$75,532k</b>
<b>Less: Borrowings</b>	(\$667k)
Restricted Assets	(\$40,849k)
<b>Closing Funds - Surplus</b>	<b>\$34,016k</b>
<b>Non Current adjustments to closing funds</b>	
Less: Provision for Long Service Leave	(\$127k)
Less : Recovery of MRF contribution	(\$198k)
<b>Adjusted Closing Funds - Surplus</b>	<b>\$33,691k</b>