



City of
Joondalup

**MID YEAR REVIEW OF ANNUAL BUDGET
FOR THE 2010/11 FINANCIAL YEAR**

City of Joondalup
Revised Budget Rate Setting Statement 2010/11

	Notes	Adopted Budget	Revised Budget	Variance \$	Variance %	Dec YTD Budget	Dec YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE									
Rates	1	(69,420,408)	(69,652,632)	(232,224)	(0%)	(69,260,808)	(69,630,861)	(370,053)	(1%)
Grants and Subsidies	2	(3,119,042)	(3,173,691)	(54,649)	(2%)	(1,556,514)	(1,555,364)	1,149	0%
Contributions Reimbursements and Donations		(2,417,419)	(2,372,455)	44,964	2%	(949,709)	(1,455,664)	(505,955)	(53%)
Profit on Asset Disposals		(105,164)	(96,967)	8,197	8%	(43,739)	(19,734)	24,005	55%
Fees and Charges	3	(28,596,520)	(29,596,529)	(1,000,009)	(3%)	(22,337,552)	(23,328,494)	(990,941)	(4%)
Investment Earnings	4	(3,798,858)	(4,189,768)	(390,910)	(10%)	(2,033,613)	(2,815,140)	(781,527)	(38%)
Other Revenue/Income	5	(121,000)	(174,896)	(53,896)	(45%)	(60,500)	(101,361)	(40,861)	(68%)
Total Operating Revenue		(107,578,411)	(109,256,937)	(1,678,526)	(2%)	(96,242,435)	(98,906,618)	(2,664,183)	(3%)
OPERATING EXPENSES									
Employee Costs		45,149,333	45,011,091	(138,242)	(0%)	23,460,171	21,947,574	(1,512,596)	(6%)
Materials and Contracts	6	40,915,704	41,888,308	972,604	2%	20,967,984	18,690,991	(2,276,993)	(11%)
Utilities (gas, electricity, water etc.)		4,641,753	4,560,824	(80,929)	(2%)	2,407,458	2,319,491	(87,967)	(4%)
Depreciation of Non-Current Assets	7	21,306,833	23,037,302	1,730,469	8%	10,708,187	11,144,606	436,419	4%
Loss on Asset Disposal	8	62,490	135,614	73,124	117%	26,970	55,695	28,725	107%
Interest Expenses		699,800	692,758	(7,042)	(1%)	323,433	291,741	(31,692)	(10%)
Insurance Expenses		1,239,486	1,250,850	11,364	1%	1,235,560	1,249,393	13,833	1%
Total Operating Expenses		114,015,398	116,576,747	2,561,348	2%	59,129,763	55,699,492	(3,430,272)	(6%)
(SURPLUS)/DEFICIT FROM OPERATIONS		6,436,988	7,319,810	882,821	14%	(37,112,672)	(43,207,126)	(6,094,455)	16%
ADJUSTMENTS FOR NON-CASH MOVEMENTS									
Depreciation on Assets		(21,306,833)	(23,037,302)	(1,730,469)	(8%)	(10,708,187)	(11,144,606)	(436,419)	(4%)
Loss on Disposals	8	(62,490)	(135,614)	(73,124)	(117%)	(26,970)	(55,695)	(28,725)	(107%)
Profit on Disposals		105,164	96,967	(8,197)	(8%)	43,739	19,734	(24,005)	55%
CASH (SURPLUS)/DEFICIT FROM OPERATIONS		(14,827,171)	(15,756,139)	(928,968)	6%	(47,804,089)	(54,387,694)	(6,583,604)	14%
NON-OPERATING REVENUE									
Non-operating Capital Grants and Subsidies	9	(9,840,460)	(9,263,996)	576,464	6%	(4,272,942)	(3,346,209)	926,733	22%
Non-operating Capital Contributions		-	(25,000)	(25,000)	(100%)	-	-	-	-
Acquired Infrastructure Assets	10	(1,725,000)	(1,300,000)	425,000	25%	-	-	-	-
Total Non-Operating Revenue		(11,565,460)	(10,588,996)	976,464	8%	(4,272,942)	(3,346,209)	926,733	22%
CAPITAL EXPENDITURE									
Capital Projects	11	3,979,222	3,552,236	(426,986)	(11%)	2,650,703	739,466	(1,911,237)	(72%)
Capital Works	12	31,922,178	28,828,183	(3,093,995)	(10%)	17,715,083	10,460,919	(7,254,164)	(41%)
Motor Vehicle Replacements	13	2,057,360	1,907,441	(149,919)	(7%)	1,325,960	471,448	(854,512)	(64%)
Loan Repayment Principal		1,279,959	1,279,959	-	0%	578,550	586,756	8,206	1%
Total Capital Expenditure		39,238,719	35,567,819	(3,670,900)	(9%)	22,270,296	12,258,588	(10,011,708)	(45%)
CAPITAL (SURPLUS)/DEFICIT		27,673,259	24,978,823	(2,694,436)	(10%)	17,997,354	8,912,379	(9,084,974)	(50%)
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		12,846,088	9,222,684	(3,623,404)	(28%)	(29,806,736)	(45,475,314)	(15,668,578)	(53%)
FUNDING									
Proceeds from Disposals		(406,000)	(410,887)	(4,887)	1.2%	(226,100)	(184,588)	41,512	18%
Surplus Carried Forward	14	(1,212,195)	(4,608,378)	(3,396,183)	280.2%	(1,212,195)	(4,608,378)	(3,396,183)	(280%)
Loans		(2,924,100)	(2,924,000)	100	(0.0%)	(2,924,100)	-	2,924,100	100%
Transfer from Reserves	15	(14,030,494)	(13,232,843)	797,651	(5.7%)	-	-	-	-
Transfer to Reserves	15	3,974,479	6,352,502	2,378,023	59.8%	-	-	-	-
Transfer to Accumulated Surplus	10	1,725,000	1,300,000	(425,000)	(24.6%)	-	-	-	-
CLOSING FUNDS		(27,222)	(4,300,922)	(4,273,700)	15699.3%	(34,169,131)	(50,268,280)	(16,099,148)	47.1%

NOTES TO AND FORMING PART OF THE REVISED 2010/2011 BUDGET STATEMENT

1. Rates

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$69,420,408	\$69,652,632	\$232,224

The **net increase** of **\$232,224** comprises:

Rate revenue is \$169,467 higher than budget as a result of valuation adjustments post budget adoption, there is an overall increase in administration charges and penalty interest of \$68,477 and the costs of rate incentive awards that are offset against rates revenue are \$22,117 below the budget.

These increases are partly offset by a shortfall on instalment interest of (\$18,347) and interim rates of (\$12,992).

2. Government Grants and Subsidies

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$3,119,042	\$3,173,691	\$54,649

The **net increase** of **54,649** is made up of the following major variations:

Increases

a) Lotteries West Grant for Joondalup Festival	\$12,500
b) Lotteries West and State Emergency Relief Funding	\$20,000
c) Lotteries West Financial Counselling Grant related to 2009/10	\$10,000
d) Lotteries West Biodiversity DVD grant	\$15,625
e) Increase to State Grant for Clubs Development Program	\$20,000
f) Environment Conservation Yellagonga Interpretive Signage	\$20,000
g) Other grants and subsidies	\$13,431
	<hr/>
	\$111,556

Decreases

h) Withdrawal of Holiday Program grants	<hr/>
	(\$56,907)
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	(\$56,907)

- b) Lotteries West have funded an increase in Financial Counselling Emergency Relief Funding as a once-off grant of \$15,000 in response to the Financial Crisis for emergency relief purposes.

A \$5,000 grant has also been received from W.A. No Interest Loans Inc. to assist with the program.

- c) A Lotteries West Financial Counselling Grant of \$10,000 budgeted in the 2009/10 financial year was received in the current year.

3. Fees and Charges

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$28,596,520	\$29,596,529	\$1,000,009

The net increase of **\$1,000,009** is made up of the following major variations:

Increases

a) Parking Fines Enforcement Registry Fees	\$360,000
b) Parking Infringements	\$250,000
c) Leisure Centres programs, including Learn to Swim	\$183,553
d) Parking Fees	\$139,000
e) Waste Management Refuse Charges	\$90,635
f) Inspection and Control Fees	\$46,500
g) Property Rental Income	\$26,744
h) Property Purchase Enquiry Fee	\$18,665
i) Other Fees and Charges	\$24,451
j) Other Infringements	\$56,796
	\$1,196,344

Decreases

k) Cash In Lieu of Parking	(\$100,000)
l) Court Sports Revenue	(\$84,835)
m) Write-off of Library penalties	(\$11,500)
	(\$196,335)

a) & b) Increased Fines Enforcement Registry Fees reflect the continued high levels of Parking Infringements that have been issued although there is also a partially offsetting cost (refer 6 c)). Parking Infringements continue to increase as a result of both the City's own car parks as well as private car parks for which the City provides enforcement services under agreement. The increase includes a projection that this trend will continue for the rest of the financial year.

c) & l) The increase in the Leisure Centre revenue is the result of increases in swimming programs and general participation levels across core service areas. Revenue from Court Sports, however, was adversely affected during the recent refurbishment of the court flooring surfaces and will be (\$84,835) under budget.



- d) Parking Fees exceed budget with Off-street parking being the main contributor. The major increase is as a result of the extension to the lease arrangement with Joondalup Health Campus to provide parking at the City's T3 Car Park for Health Campus staff.
- e) Increased Waste Management Refuse Charges are due to a higher than budgeted number of waste services.
- f) Additional Inspection and Control fees are predominantly as a result of higher income from inspections of Food Outlets.
- g) An increase in Commercial Property Rentals reflects pending reviews of lease rental agreements.
- i) The increase in Other Fees and Charges includes additional Urban Design fees \$15,000 and Environmental Health services fees \$6,000.
- j) Other Infringements includes \$50,000 issued by Rangers for suburban parking fines (separate from City Centre parking infringements) \$5,500 for fire break penalties, \$23,402 for fines and poundage costs under the Dog Act, offset by (\$23,106) reductions for other areas which are not material.
- k) It is not envisaged that there will any significant contributions for Cash In Lieu of Parking as was anticipated at the time of preparing the annual budget.
- m) Library penalties deemed uncollectable were written-off following the implementation of the new Library Management System.

4. Investment Earnings

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$3,798,858	\$4,189,768	\$390,910

The **increase** of **\$390,910** is mainly the result of Capital Expenditure being slower than budgeted and consequently a higher level of cash funds available to be invested. While the average interest rate earnings achieved 5.97% to December, and is above the bench mark rate of 4.58%, the increase in interest rates has made only a modest contribution to additional investment earnings.

5. Other Revenue

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$121,000	\$174,896	\$53,896

The **increase** of **\$53,896** comprises:

An adjustment of \$36,895 for leave provisions from the previous financial year and additional supplier discounts of \$17,000.

6. Materials and Contracts

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$40,915,704	\$41,888,308	\$972,604

The **net increase** of **\$972,604** is made up of the following major variations:

Increases

a) Accommodation & Property	\$237,952
b) Computer Costs	\$31,830
c) Furniture, Equipment and Artworks	\$39,110
d) Other Materials	\$39,920
e) Professional Fees & Charges	\$238,863
f) Public Relations, Advertising & Promotions	\$33,513
g) External Contract Services	\$361,517
h) Service Charges from Other Councils	\$80,721
i) Other Expenses	\$99,828
j) Other Materials and Contracts – not material	\$57,415
	\$1,220,669

Decreases

k) Contributions & Donations	\$(179,442)
l) Travel, Vehicles & Plant	\$(68,622)
	(\$248,064)

- a) Refuse Services have increased \$205,736 for the collection of bulk green waste which has been transferred from External Contract Services. There have also been minor increases for building materials, rental and outgoings and security charges.
- b) A net increase in software licenses costs has been fully offset by a reduction in capital expenditure \$150,000 for the eProperty System which is not now going ahead (refer to note 9 b)).

- c) Furniture, Equipment and Artworks includes Plant & Equipment Maintenance which allows \$9,500 for a new Ticket Machine to be purchased for the Basketball Stadium, \$7,000 required for various minor tools and equipment at the Works Operation Centre, \$9,421 for maintenance of Natural Areas and Parks and \$2,400 for Building maintenance. An amount of \$7,425 is to be spent on equipment for Anchors Youth Centre which is funded from reduced expenditure on youth programs classified in other accounts.
- d) Other materials is higher than budget mainly due to \$35,075 for consumable stores relating to plant and vehicle maintenance and is offset by savings in fleet running and service costs (refer to I)).
- e) The higher than expected level of unpaid parking infringements has resulted in additional Fines Enforcement Registry lodgement fees of \$175,500 and a related increase in vehicle license search fees of \$45,000 both which are offset by additional revenue (refer 3 a) & b)). .

Professional Fees & Charges includes Legal fees which reduce by (\$36,090) after taking account of additional costs incurred connected with the Mindarie Regional Council matter.

Other variances include \$47,002 for consulting fees and the removal of (\$15,000) for vehicle auction fees.

- f) Promotions include expenditure of \$30,000 relating to the Regional Promotional Campaign previously budgeted as printing costs. Also transferred to this account is expenditure of \$7,500 which was planned to be spent with the Sunset Coast Tourist Association and previously shown as sponsorship. This will now be directed to other tourist promotion initiatives.
- g) External Contract Services incurred additional expenditure of \$361,517 comprising:
 - \$120,000 for storm damage repair work at a number of community buildings. This has been recovered as an insurance claim.
 - \$25,425 additional building maintenance has been provided to deal with unexpected maintenance services essential to the continued use of City buildings.
 - Additional landscaping work requested by the Iluka \$50,000 and Harbour Rise \$25,375 resident associations has been included. These works will be fully funded from the respective Special Area Rate Reserves.
 - Expenditure of \$15,625 was incurred for production of the Biodiversity DVD funded by grant. (See note 2 d)).
 - A temporary Contract Service to cover an internal vacancy \$43,596 and is partly offset by savings in employee costs.

- h) Tipping fees for both domestic rubbish and bulk collections reflect an increase related to higher tonnages than previously budgeted.
- i) & j) A correction of \$99,828 to the prior year end of 2009 /10 financial year occurred as a result of a grant accrual. This is covered by the surplus carried forward from 2009/10.
- k) Under the CSRFF program the Beaumaris Sports Association project was cancelled saving (\$126,142). Further savings of (\$31,900) arise due to fewer grant applications from the Joondalup Sports Association and (\$19,160) under the Sports Development Program.

It is proposed that Donations be made to the Carnarvon and Queensland flood appeals totalling \$15,000 and this is the subject of a separate report to Council. Also expenditure related to an additional grant of \$15,000 received from Lotteries West has been included for Financial Counselling (refer to note 2 b)).

The FESA Emergency Services Levy included estimates for buildings of (\$41,734) in the original budget for which no levy charges will be paid this year.

- l) The fleet running costs show an overall reduction in cost of \$(68,622), mainly in lower fuel and repair costs.

7. Depreciation of Non-Current Assets

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$21,306,833	\$23,037,302	\$1,730,469

The **net increase** of **\$1,730,469** comprises:

Increases due to the actual value of assets capitalised during preparation of the annual accounts being higher than the estimates in the adopted budget.

8. Loss on Disposal of Assets

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$62,490	\$135,614	\$73,124

The **net increase** of **\$73,124** comprises:

A damaged gang mower is unexpectedly required to be disposed off at a loss of \$27,142 which is partially offset by an insurance reimbursement to be received of \$17,000.

The balance is due to a combination of Light Vehicles that were budgeted to be disposed of in the previous financial year and lower trade values received.

9. Capital Grants and Subsidies

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$9,840,460	\$9,263,996	(\$576,464)

The **net decrease of (\$576,464)** is made up as follows:

Increases

a) RLCIP Seacrest Park	\$495,710
b) RLCIP Fleur Freame Pavilion	\$482,665
c) RLCIP Forrest Park	\$326,150
d) RLCIP Penistone Clubrooms	\$72,000
e) RLCIP Rob Baddock Community Hall	\$70,000
f) RLCIP Connolly Community Centre	\$70,000
g) Other Grants received on various areas	\$21,542
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	\$1,538,067

Decreases

h) Moore Drive - Connolly Dr to Joondalup Dr - carry forward	(\$1,014,667)
i) Oceanside Parade - Mullaloo Dr to Warren Way - carry forward	(\$152,000)
j) Craigie Drive / Haddington St - carry forward	(\$82,021)
k) Ocean Reef Marina Development	(\$500,000)
l) Lakeway Drive - Hocking Road to Meadow Lark Rise	(\$80,600)
m) Metropolitan Regional Road Grants	(\$84,409)
n) Grants received in previous financial year	(\$200,834)
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	(\$2,114,531)

a),b) & c) The increases for the Regional Local Communities Infrastructure Program at Seacrest Park, Fleur Freame Pavilion and Forrest Park are due to grants being received this financial year which were budgeted to be received in the previous financial year.

d),e) & f) Additional Federal grants have been approved under the Regional Local Communities Infrastructure Program for the installation of Photovoltaic systems at Penistone Clubrooms, Rob Baddock Community Hall and Connolly Community Centre.

h),i) & j) Grants budgeted to be received for Moore Drive, Oceanside Parade and Craigie Drive will now be received next financial year.

- k) \$600,000 was budgeted for grant revenue for the Ocean Reef Marina Development but at this stage only \$100,000 from the Recreational Boating Facilities Scheme is anticipated to be received this year.
- l) The Lakeway Drive - Hocking Road to Meadow Lark Rise project has been cancelled and the grant funding request withdrawn (refer Note 12 i).
- m) There is a decrease in the Metropolitan Regional Road Grants that are available to be claimed on Whitfords Avenue (\$59,298) and Northshore Drive (\$25,111) due to the actual project expenditure being lower than anticipated in the original budget.
- n) Grants budgeted to be received this financial year were actually received in the previous financial year including \$144,000 for Traffic Management work at Craigie Drive (refer note 12 h).

10. Acquired Infrastructure Assets

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$1,725,000	\$1,300,000	(\$425,000)

The **net decrease** of **(\$425,000)** comprises:

A reduction in expected completed subdivisions has resulted in a reduced value of infrastructure contributions from developers. This is a non-cash line item and has no net effect on the bottom line.

11. Capital Projects

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$3,979,222	\$3,552,236	(\$426,986)

The **net decrease** of **(\$426,986)** is made up of the following major variations:

Additional Projects

a) Video Surveillance - MacNaughton Park, Kinross	\$74,502
	\$74,502

Variances to Projects

b) Implementation of eProperty (Technology One)	(\$150,000)
c) Ocean Reef Development	(\$500,000)
d) Joondalup City Centre Commercial Office Development	\$99,930

- e) Other Minor Variances \$48,582
(\$501,488)
- a) Video Surveillance equipment has been installed at MacNaughton Park, Kinross \$74,502. This expenditure is funded by a grant received from the Office of Crime Prevention in the previous financial year.
- b) The eProperty System (\$150,000) is no longer progressing with Technology One and an in-house solution is being developed instead.
- c) The budget for the Ocean Reef Marina Development project has been amended to reflect the reduced grant expected (refer Note 9 k).
- d) Additional expenditure is budgeted for the Joondalup City Centre Office Development project which includes preparing a proposal to support the City's Expression of Interest for the provision of State Government Office Accommodation.

12. Capital Works

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$31,922,178	\$28,828,183	(\$3,093,995)

The **net decrease** of **(\$3,093,995)** includes the following major variations:

Additional Works

a) RLCIP - Penistone Clubrooms	\$72,000
b) RLCIP - Rob Baddock Community Hall	\$70,000
c) RLCIP - Connolly Community Centre	\$70,000
d) Projects funded from 2009/10 Carry Forward FLRG Grant	\$73,000
e) McCubbin Park Redevelopment - Landscaping	\$60,000
f) Burns Beach Seating (3)	\$6,000
g) Falklands Park Outdoor Gym Equipment	\$21,000
h) Sheoak Park Play Equipment	\$74,950
i) Paveta Park Play Equipment	\$14,700
j) Charonia Park Changerooms Upgrade	\$31,200
k) Timberlane Park Tennis Court Fence	\$17,250
l) Sandpiper Street Footpath	\$8,000
m) Walter Padbury Boulevard – Landscaping & Stormwater Sump	\$55,000
n) Ellersdale Park Playground	\$85,000
o) Ellersdale Park Turf and Irrigation (Additional)	\$4,391
p) Ellersdale Park Barbecue and Seating	\$21,000
q) Marri Park Playground	\$85,000
r) Marri Park Turf and Irrigation	\$90,649
s) Marri Park Drinking Fountains	\$4,000
t) Whitfords Beach Fence	\$18,000

u) Winton Road Visually Impaired Road Crossing	\$13,500
	<u>\$894,640</u>
Variance to Projects	
v) Joondalup Civic Chambers Replacement Chiller Compressors	(\$150,000)
w) Mullaloo Surf Life Saving Club repaint	(\$77,400)
x) Hodges Drive - Marmion Ave to Venturi Drive	(\$60,000)
y) Craigie Drive - Gradient Way to Barwon Rd traffic management	(\$134,000)
z) Lakeway Drive - Hocking Road to Meadow Lark Rise	(\$201,500)
aa) Joondalup Administration Centre - Asbestos Cement Replacement	(\$128,329)
bb) RLCIP - Seacrest Park	(\$80,969)
cc) RLCIP - Fleur Freame Pavilion	(\$102,840)
dd) Burns Beach Road - East	(\$151,745)
ee) Joondalup Drive Stage 3 Planting	(\$179,905)
ff) Road Preservation / Resurfacing Program	(\$312,392)
gg) Floodlight & Pole Replacement Program	\$371,000
hh) Parks Development Program	\$234,700
ii) Moore Drive - Connolly Dr to Joondalup Dr - carry forward	(\$1,926,667)
jj) Joondalup City Centre Street Lighting - carry forward	(\$250,000)
kk) Oceanside Parade - Mullaloo Dr to Warren Way - carry forward	(\$380,000)
ll) Craigie Drive / Haddington St - carry forward	(\$204,500)
mm) Net Other Variances	<u>(\$254,086)</u>
	(\$3,988,633)
a),b) & c)	Additional Regional Local Communities Infrastructure Program projects have been approved for the installation of Photovoltaic systems at Penistone Clubrooms, Rob Baddock Community Hall and Connolly Community Centre which are fully grant funded (refer note 9 d), e) & f)).
e) to u)	Further Projects identified for inclusion in 2010/11. It should be noted that consultation will be required for g), h), n), p) and q) which will mean that they will not be completed until July/August 2011 and e) and m) will be commenced but not completed until early 2011/12.
v) to y)	These projects were completed in the previous financial year 2009/10.
z)	The Lakeway Drive project that was to be partially grant funded has been withdrawn (refer Note 9 l)).
aa)	The Joondalup Administration Centre asbestos cement replacement project has been completed under budget.
bb) & cc)	Total expenditure on the Seacrest Community Sports Facility and Fleur Freame Pavilion projects will be below the amount originally budgeted.

- dd) & ee) The variances for Burns Beach Road - East and Joondalup Drive Stage 3 Planting are savings due to additional expenditure occurring in the previous financial year than was expected.
- ff) The Road Preservation Program has been reduced and the carry forward grants have been re-allocated to fund \$73,000 additional works and \$210,633 for the Local Traffic Management project at Timberlane Drive that was originally budgeted to be funded from municipal funds.
- gg) Additional funds are required for the Floodlight & Pole Replacement Program. This is provisional subject to Council consideration of a separate report.
- hh) Two projects for bollards on Flinders Park \$47,810 and Harbour Rise Estate \$29,626, Hillarys, are carried forward projects from 2009/10 and are covered by the Capital Works Carried Forward Reserve. Additional works on both Ellersdale Park \$23,775 and Marri Park \$97,625 arose from community feedback following public consultation.
- ii) to ll) These projects will not commence this financial year and will be included in next years budget as carry forward projects. (See 9 h)).

13. Motor Vehicle Replacement

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$2,057,360	\$1,907,441	(\$149,919)

The **net decrease** of **(\$149,919)** comprises:

Two Isuzu trucks (\$154,960) budgeted to be replaced this financial year were actually replaced in the previous financial year.

14. Surplus Carried Forward

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
\$1,212,195	\$4,608,378	\$3,396,183

The **net increase** of **\$3,396,183** comprises:

Allowing for the compensating variations to net parking revenues which are transferred to reserve and net variations to waste costs which are subsidised from reserve the primary drivers of the surplus are \$936k in additional operating revenue, \$1,803k in reduced operational expenditure and various net capital and funding variations of \$663k. The following summarises the major variations.

Item	Description	Amount
Revenue		
Rates		\$84,628
Grants	Kingsley Club Rooms	\$200,000
Contributions		
Reimbursements		
Donations	Legal Expenses not Recovered	(\$508,178)
	Advertising not Recovered	(\$29,978)
	Recovery of Utility Charges, Main Roads Marmion Ave Maintenance, Fuel Tax Credits & Various other	\$324,501 (\$213,655)
Fees & Charges	Planning and Building	\$303,663
	Leisure and Culture	\$206,413
	Property Rentals & Other Fees & Charges	\$128,249 \$638,325
Other Revenue	Storm Damage Disaster Relief	\$182,614
	Creditor Early Payment Discounts	\$38,174 \$220,788
	Additional Revenue	\$930,086
Expenditure		
Employee Costs		(\$252,914)
Materials & Contracts	Legal Fees	(\$127,630)
	Consultancy	(\$203,846)
	Grants and Contributions made	(\$259,701)
	Public relations and advertising	(\$169,917)
	Furniture and Equipment	(\$171,353)
	External Materials purchases	(\$143,554)
	Materials Building Minor Works	(\$121,180)
	Transport	(\$195,948)
	External Service Expenses	\$218,870
	Accommodation and Property	\$181,959
	Member Costs	(\$66,242)
	Finance Costs	(\$52,720)
	Computing	(\$78,881) (\$1,190,143)
Utilities		(\$164,107)
Interest Expense		(\$196,023)
	Reduced Expenditure	(\$1,803,187)
Capital		
Net Capital	Reduced Capital Revenue	(\$1,705,173)
	Increased Capital Expenditure	(\$470,941)
	Reduced Transfer to Carry Forward Reserve	\$2,095,192
	Other	(\$342,877) (\$423,799)
Loan Repayment Principal		(\$239,111)
	Reduced Net Capital & Funding Variations	(\$662,910)

Item	Description	Amount
	Net Increase in Surplus carried Forward	(\$3,396,183)

15. Transfer to / (from) Reserves

Adopted Budget 2010/11	Revised Budget 2010/11	Variance Increase / (Decrease)
(\$10,056,015)	(\$6,880,341)	(\$3,175,674)

The **net decrease** in draw down of reserves of **(\$3,175,674)** comprises:

A reduction in transfers from reserves \$797,651. The main reductions being Capital Works Carried Forward Reserve \$729,472 as a result of expenditure that will now not be incurred, the Town Planning Scheme No 10 Reserve \$113,974 as the works and transfer were completed in 2009/10 and the Parking Facility Reserve \$29,900 as not all of the funds are required. There is an increase in transfers for the Iluka (\$50,000) and Harbour Rise (\$25,375) Special Area Rate Reserves for additional landscaping works in those areas.

Offsetting this is an increase in transfers to reserve of (\$2,378,023). The main increases are a transfer of (\$1,512,479) for Capital Works that will be carried forward, a transfer for Cash In Lieu City Centre Parking (\$107,973) and a transfer to Parking Facility Reserve of an additional (\$317,850). The remaining transfer amount relates to increased interest earnings for the reserve funds.