



# City of Joondalup

Financial Activity Statement for the  
Period Ended 31 December 2014

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|  | Notes | Adopted Budget       | YTD Adopted Budget   | YTD Actual           | YTD Variance \$   | YTD Variance % |
|--|-------|----------------------|----------------------|----------------------|-------------------|----------------|
| <b>OPERATING REVENUE</b>                             |       |                      |                      |                      |                   |                |
| Rates  | 1     | (86,062,005)         | (85,912,005)         | (86,263,773)         | 351,768           | 0%             |
| Specified Area Rates                                 |       | (404,333)            | (404,333)            | (417,393)            | 13,060            | 3%             |
| Grants and Subsidies                                 |       | (4,095,510)          | (1,930,725)          | (1,953,847)          | 23,122            | 1%             |
| Contributions Reimbursements and Donations           | 2     | (1,477,802)          | (991,076)            | (861,255)            | (129,821)         | (13)%          |
| Profit on Asset Disposals                            | 3     | (431,228)            | (407,489)            | (1,296,730)          | 889,241           | 218%           |
| Fees and Charges                                     | 4     | (39,103,040)         | (30,503,261)         | (30,186,429)         | (316,832)         | (1)%           |
| Interest Earnings                                    | 5     | (4,027,651)          | (2,344,405)          | (2,754,870)          | 410,465           | 18%            |
| Other Revenue/Income                                 | 6     | (123,000)            | (75,500)             | (268,066)            | 192,566           | 255%           |
| <b>Total Operating Revenue</b>                       |       | <b>(135,724,569)</b> | <b>(122,568,795)</b> | <b>(124,002,363)</b> | <b>1,433,568</b>  | <b>1%</b>      |
| <b>OPERATING EXPENSES</b>                            |       |                      |                      |                      |                   |                |
| Employee Costs                                       | 7     | 58,065,565           | 30,278,714           | 30,184,434           | 94,280            | 0%             |
| Materials and Contracts                              | 8     | 50,669,374           | 26,544,255           | 21,762,130           | 4,782,125         | 18%            |
| Utilities (gas, electricity, water etc.)             | 9     | 6,165,121            | 3,098,296            | 2,780,366            | 317,930           | 10%            |
| Depreciation & Amortisation of Non-Current Assets    | 10    | 19,331,487           | 9,696,489            | 13,837,434           | (4,140,945)       | (43)%          |
| Loss on Asset Disposals                              | 11    | 1,275,392            | 1,180,196            | 122,842              | 1,057,354         | 90%            |
| Interest Expenses                                    |       | 616,230              | 212,544              | 211,997              | 547               | 0%             |
| Insurance Expenses                                   |       | 1,639,249            | 1,632,623            | 1,596,995            | 35,628            | 2%             |
| <b>Total Operating Expenses</b>                      |       | <b>137,762,419</b>   | <b>72,643,116</b>    | <b>70,496,198</b>    | <b>2,146,918</b>  | <b>3%</b>      |
| <b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>             |       | <b>2,037,850</b>     | <b>(49,925,679)</b>  | <b>(53,506,165)</b>  | <b>3,580,486</b>  | <b>7%</b>      |
| <b>OPERATING NON-CASH ADJUSTMENTS</b>                |       |                      |                      |                      |                   |                |
| Depreciation & Amortisation of Non Current Assets    |       | (19,331,487)         | (9,696,489)          | (13,837,434)         | 4,140,945         | 43%            |
| Loss on Asset Disposal                               |       | (1,275,392)          | (1,180,196)          | (122,842)            | (1,057,354)       | (90)%          |
| Profit on Asset Disposals                            |       | 431,228              | 407,489              | 1,296,730            | (889,241)         | (218)%         |
| Other Non-Current items                              |       |                      |                      |                      |                   |                |
| Movement in Non-current Assets                       |       | -                    | -                    | 11,025               | (11,025)          | 100%           |
| Movement in Non-current Provisions                   | 12    | (120,000)            | (120,000)            | 7,737                | (127,737)         | (106)%         |
| <b>OPERATING CASH (SURPLUS)/DEFICIT</b>              |       | <b>(18,257,801)</b>  | <b>(60,514,875)</b>  | <b>(66,150,949)</b>  | <b>5,636,074</b>  | <b>9%</b>      |
| <b>NON-OPERATING REVENUE</b>                         |       |                      |                      |                      |                   |                |
| Capital Grants and Subsidies                         | 13    | (9,277,327)          | (4,491,007)          | (5,229,752)          | 738,745           | 16%            |
| Capital Contributions                                | 14    | -                    | -                    | (316,076)            | 316,076           | 100%           |
| Equity Distribution - TPRC                           | 15    | (2,500,000)          | (1,250,000)          | (2,333,333)          | 1,083,333         | 87%            |
| Acquired Infrastructure Assets                       |       | (500,000)            | -                    | -                    | -                 | -              |
| <b>Total Non-Operating Revenue</b>                   |       | <b>(12,277,327)</b>  | <b>(5,741,007)</b>   | <b>(7,879,161)</b>   | <b>2,138,154</b>  | <b>37%</b>     |
| <b>CAPITAL EXPENDITURE</b>                           |       |                      |                      |                      |                   |                |
| Capital Projects                                     | 16    | 5,338,865            | 2,402,163            | 1,389,348            | 1,012,815         | 42%            |
| Capital Works  | 17    | 44,446,548           | 19,156,954           | 13,235,698           | 5,921,256         | 31%            |
| Motor Vehicle Replacements                           | 18    | 2,295,686            | 1,209,686            | 378,156              | 831,530           | 69%            |
| Loan Repayment Principal                             |       | 1,804,454            | 689,472              | 689,472              | -                 | 0%             |
| Equity Investments                                   |       | 42,135               | -                    | -                    | -                 | 0%             |
| <b>Total Capital Expenditure</b>                     |       | <b>53,927,688</b>    | <b>23,458,275</b>    | <b>15,692,674</b>    | <b>7,765,601</b>  | <b>33%</b>     |
| TPRC Development Costs                               | 19    | -                    | -                    | 103,642              | (103,642)         | (100)%         |
| <b>CAPITAL (SURPLUS)/DEFICIT</b>                     |       | <b>41,650,361</b>    | <b>17,717,268</b>    | <b>7,917,155</b>     | <b>9,800,113</b>  | <b>55%</b>     |
| <b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b> |       | <b>23,392,560</b>    | <b>(42,797,608)</b>  | <b>(58,233,794)</b>  | <b>15,436,187</b> | <b>36%</b>     |
| <b>FUNDING</b>                                       |       |                      |                      |                      |                   |                |
| Proceeds from Disposal                               | 20    | (3,890,150)          | (3,619,450)          | (247,553)            | (3,371,897)       | (93)%          |
| Recoupment of MRF Funding                            | 21    | -                    | -                    | (399,084)            | 399,084           | -              |
| Loans - New Borrowings                               |       | (13,045,423)         | -                    | -                    | -                 | -              |
| Transfer from Trust                                  |       | (296,395)            | -                    | -                    | -                 | -              |
| Transfer from Reserve                                |       | (15,521,228)         | -                    | -                    | -                 | -              |
| Transfer to Reserve                                  |       | 8,970,004            | -                    | -                    | -                 | -              |
| Transfer to Accumulated Surplus                      |       | 500,000              | -                    | -                    | -                 | -              |
| Transfer from Accumulated Surplus                    |       | -                    | -                    | -                    | -                 | -              |
| Opening Funds  |       | (146,474)            | (146,474)            | (1,065,447)          | 918,973           | 627%           |
| <b>CLOSING FUNDS</b>                                 | 22    | <b>(37,106)</b>      | <b>(46,563,532)</b>  | <b>(59,945,878)</b>  | <b>13,382,346</b> | <b>100%</b>    |

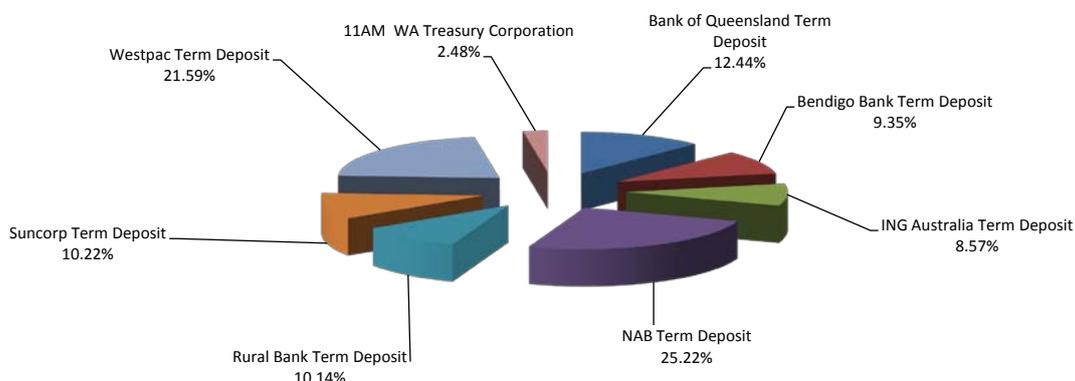


# Investment Summary

**CITY OF JOONDALUP**  
December-14

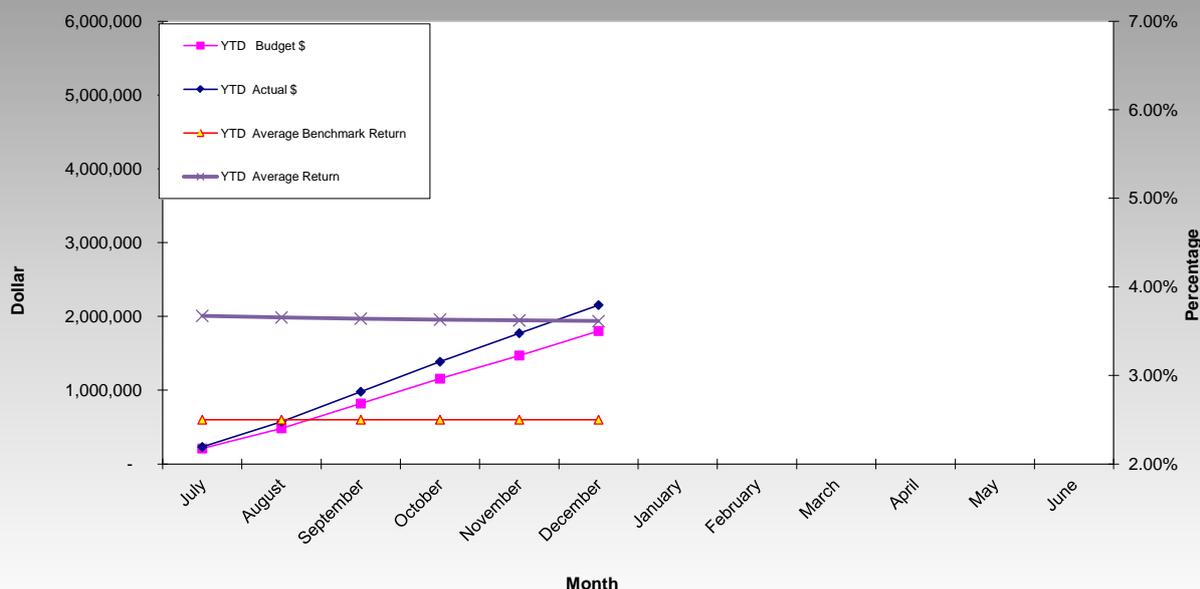
| Credit Rating                     |            | Investment Account              | MTD Return   | YTD Return   | Value \$           | % of Portfolio | Policy Limit |
|-----------------------------------|------------|---------------------------------|--------------|--------------|--------------------|----------------|--------------|
| Long Term                         | Short Term |                                 |              |              |                    |                |              |
| A-                                | A-2        | Bank of Queensland Term Deposit | 3.63%        | 3.67%        | 15,100,000         | 12.44%         | 10%          |
| A-                                | A-2        | Bendigo Bank Term Deposit       | 3.57%        | 3.62%        | 11,340,000         | 9.35%          | 10%          |
| A-                                | A-2        | ING Australia Term Deposit      | 3.58%        | 3.68%        | 10,400,000         | 8.57%          | 10%          |
| AA-                               | A-1+       | NAB Term Deposit                | 3.62%        | 3.64%        | 30,600,000         | 25.22%         | 25%          |
| A-                                | A-2        | Rural Bank Term Deposit         | 3.58%        | 3.65%        | 12,300,000         | 10.14%         | 10%          |
| A+                                | A-1        | Suncorp Term Deposit            | 3.52%        | 3.53%        | 12,400,000         | 10.22%         | 15%          |
| AA-                               | A-1+       | Westpac Term Deposit            | 3.64%        | 3.65%        | 26,200,000         | 21.59%         | 25%          |
| AA+                               | A-1+       | 11AM WA Treasury Corporation    | 2.45%        | 2.45%        | 3,008,000          | 2.48%          | 25%          |
| <b>Total Investment Portfolio</b> |            |                                 | <b>3.60%</b> | <b>3.63%</b> | <b>121,348,000</b> | <b>100.00%</b> |              |
| <b>Municipal Funds</b>            |            |                                 |              |              | 74,981,660         |                |              |
| <b>Reserve Funds</b>              |            |                                 |              |              | 46,366,340         |                |              |
|                                   |            |                                 |              |              | <b>121,348,000</b> |                |              |

## City of Joondalup - Investment Balances



| Month     | Budget \$ | MTD Actual \$ | YTD Budget \$ | YTD Actual \$ | YTD Average Benchmark Return | YTD Average Return |
|-----------|-----------|---------------|---------------|---------------|------------------------------|--------------------|
| July      | 208,895   | 230,623       | 208,895       | 230,623       | 2.50%                        | 3.67%              |
| August    | 274,224   | 341,874       | 483,120       | 572,498       | 2.50%                        | 3.65%              |
| September | 335,974   | 406,407       | 819,094       | 978,905       | 2.50%                        | 3.64%              |
| October   | 336,681   | 406,554       | 1,155,775     | 1,385,459     | 2.50%                        | 3.63%              |
| November  | 314,274   | 386,444       | 1,470,049     | 1,771,903     | 2.50%                        | 3.62%              |
| December  | 331,506   | 381,376       | 1,801,555     | 2,153,279     | 2.50%                        | 3.61%              |

## Return on Investments





**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT**  
**FOR THE PERIOD ENDED ON 31 DECEMBER 2014**

**1. Rates**

The increase in Rates revenue is mainly due to additional income from interim valuations arising after the budget was finalised and newly developed properties.

**2 Contributions, Reimbursements and Donations**

|                        | YTD Adopted<br>Budget | YTD Actual       | Variance           |
|------------------------|-----------------------|------------------|--------------------|
| a) Sale of Recyclables | \$648,765             | \$330,727        | (\$318,038)        |
| b) Sponsorships        | \$49,875              | \$116,400        | \$66,525           |
| c) Reimbursements      | \$278,006             | \$396,794        | \$118,788          |
| Other                  | \$14,430              | \$17,334         | \$2,904            |
|                        | <u>\$991,076</u>      | <u>\$861,255</u> | <u>(\$129,821)</u> |

- a) This unfavourable variance is due to the closure of the Materials Recovery Facility in November and the volume of recyclable sales being lower than budget estimates prior to the closure.
- b) Sponsorship revenue for various events has been received ahead of budget estimates.
- c) Unbudgeted reimbursements were received from Main Roads for fencing at Carnaby Reserve \$27,462 and from Beaumaris Land Sales for additional works on Burns Beach Road, Iluka \$20,572 which are fully offset by unbudgeted External Contractor expenditure, as well as the receipt of Main Roads' share of the 2013-14 maintenance costs for Marmion Avenue Median \$23,148 which was budgeted to be received in the previous financial year. In addition, Legal Fees Recoverable are \$14,770 higher than budget. The balance of the variance is spread across a number of areas.

**3 Profit on Asset Disposals**

This variance is predominantly due to gains on the disposal of Tamala Park Regional Council (TPRC) land parcels \$1,296,009 which were not included in the budget. This is partly offset by an unfavourable timing variance of (\$383,750) related to the proposed disposal of designated City land assets which are yet to be assessed.



#### 4 Fees and Charges

|                                  | YTD Adopted<br>Budget | YTD Actual          | Variance           |
|----------------------------------|-----------------------|---------------------|--------------------|
| a) Inspection and Control Fees   | \$745,702             | \$805,052           | \$59,350           |
| b) Sports and Recreation Fees    | \$4,498,117           | \$4,025,253         | (\$472,864)        |
| c) Fines and Penalties           | \$788,040             | \$637,793           | (\$150,247)        |
| d) Building and Development Fees | \$1,030,000           | \$1,154,847         | \$124,847          |
| e) Parking Fees                  | \$1,140,756           | \$1,098,099         | (\$42,657)         |
| f) Hire and Rentals              | \$378,133             | \$441,372           | \$63,239           |
| g) Refuse Charges                | \$19,939,900          | \$20,046,967        | \$107,067          |
| Other variances                  | \$1,982,613           | \$1,977,046         | (\$5,567)          |
|                                  | <u>\$30,503,261</u>   | <u>\$30,186,429</u> | <u>(\$316,832)</u> |

- a) Higher than budgeted income arose for Swimming Pool Inspection Fees \$60,166.
- b) Leisure Centre net revenue is (\$453,027) below budget mainly due to unfavourable variances for Membership Fees (\$191,334), Admission Fees (\$93,487), Other Sport and Recreation Fees (\$49,959) and Personal Training (\$27,593) in addition to an unfavourable timing variance for the Learn to Swim program (\$63,135). Membership and Admission Fees income budget will be adjusted at the Mid Year Review to reflect changes in membership and casual attendance patterns. The balance of the variance is spread across a number of areas.
- c) The volume of Infringements issued for Parking was lower than estimated in the budget resulting in an unfavourable variance of (\$111,689). In addition Building, Planning and Environmental Health non compliance fines are (\$39,380) lower than budget estimates.
- d) Favourable variances arose for Building and Development charges \$83,606, Building Licenses \$27,930 and Land Purchase Enquiries \$15,273 due to greater activity than forecast.
- e) This unfavourable variance includes (\$92,788) due to a reduction in the use of On-street Parking in the City Centre partly offset by favourable variances for Off-street Parking \$33,588 and Private Property Agreements \$16,543.
- f) This favourable variance is mainly due to Property Rental income for 2015 being raised in advance of budget phasing.
- g) This variance is due to the number of additional domestic refuse removal charges arising from new residential developments being higher than estimated in the budget.

#### 5. Interest Earnings

Interest earned on investments exceeded budget by \$353,117 mainly due to the volume of funds under investment being higher than budgeted. In addition higher interest of \$57,347 was collected in respect of the late payment of rates, instalment options and pensioner deferred rates.



## 6. Other Revenue

The City received an unbudgeted insurance rebate of \$162,015 from the Local Government Insurance Scheme (LGIS). In addition favourable variances arose for Adshel Advertising Revenue \$17,704 and Discounts Received \$7,288.

## 7. Employee Costs

|                           | YTD Adopted<br>Budget | YTD Actual          | Variance        |
|---------------------------|-----------------------|---------------------|-----------------|
| a) Salaries and Wages     | \$28,132,722          | \$27,867,053        | \$265,669       |
| b) Other Employment Costs | \$2,145,992           | \$2,317,381         | (\$171,389)     |
|                           | <u>\$30,278,714</u>   | <u>\$30,184,434</u> | <u>\$94,280</u> |

a) A favourable variance of \$863,768 arose mainly due to vacant positions across the City. This is partly offset by a (\$598,099) movement in the Provision for Employee Entitlements which is dependent on the timing of annual and long service leave taken.

b) This includes favourable variances for Staff Training \$111,019, Capital Labour Recoveries \$97,539, Study Assistance \$28,899, Conferences and Seminars \$20,554, Staff Recruitment Costs \$14,208 and Staff Uniforms \$11,663. These are offset by an unfavourable variance for Agency Employees (\$454,681) predominantly used to cover staff vacancies.

## 8. Materials and Contracts

|   | YTD Adopted<br>Budget | YTD Actual          | Variance           |
|---|-----------------------|---------------------|--------------------|
| a) External Service Expenses                      | \$11,108,293          | \$9,032,240         | \$2,076,053        |
| b) Professional Fees and Costs                    | \$1,183,651           | \$895,457           | \$288,194          |
| c) Materials                                      | \$1,099,549           | \$770,435           | \$329,114          |
| d) Administration                                 | \$614,958             | \$523,823           | \$91,135           |
| e) Waste Management Services                      | \$5,333,897           | \$4,573,895         | \$760,002          |
| f) Computing                                      | \$1,098,805           | \$845,178           | \$253,627          |
| g) Public Relations, Advertising and<br>Promotion | \$530,440             | \$405,565           | \$124,875          |
| h) Contributions and Donations                    | \$1,596,653           | \$693,727           | \$902,926          |
| i) Accommodation and Property                     | \$898,470             | \$1,017,709         | (\$119,239)        |
| Other Materials and Contracts                     | \$3,079,539           | \$3,004,101         | \$75,438           |
|   | <u>\$26,544,255</u>   | <u>\$21,762,130</u> | <u>\$4,782,125</u> |

a) This favourable variance is driven primarily by lower expenditure \$1,086,566 for External Contractors and Services, mainly comprising timing variances including Parks \$628,123, Landscaping and Conservation \$144,250, Information Technology \$68,691, Rangers and City Watch \$45,404 and Engineering maintenance \$42,727, as well as Graffiti Removal \$48,074 arising from a combination of less graffiti removal and timing of supplier invoices. The variance also includes Domestic and Bulk Tipping Fees which are \$896,887 below budget due to the actual landfill levy fee



being lower than budget estimate. In addition, a favourable timing variance arose for Environmental and Community Development Program Activities \$49,024. The remainder of the variance is distributed across several areas.

- b) Consultancy expenditure is \$285,858 below budget mainly due to the rescheduling of projects including Waste Management Services Re-tender, Pathogen Mapping and Monitoring and Edgewater Quarry Master Plan. In addition, favourable variances arose for Fines Enforcement Lodgement Fees \$63,268 and Auction Fees \$10,635. These are partly offset by unfavourable variances of (\$22,176) for Landgate Valuation Fees due to the Triennial Revaluation fees being higher than estimated in the budget, Legal Expenses (\$30,942) and Recoverable Legal Expenses (\$13,007). The balance of the variance is spread over several accounts.
- c) This includes favourable timing variances in respect of Materials used by External Contractors \$217,406 and material for Building Minor Works \$55,928. In addition savings of \$50,557 arose in Materials used by the City on building maintenance primarily arising from the switch to external contract cleaners.
- d) This favourable variance includes printing \$35,479 mainly arising from the timing of printing costs pertaining to the various festivals and events upcoming in 2015, Stationery \$26,128, Other Sundry Admin Expenses \$16,194 and Photocopying \$8,674. Phasing will be reviewed and adjusted, where necessary, during the mid-year budget review.
- e) The variance is mainly due to Recycling Processing costs at the Materials Recovery Facility which are \$698,424 below budget. The facility has now closed however final invoices are still to be received. In addition, Bulk Collection costs are \$127,577 below budget partly offset by a combined unfavourable variance of (\$65,998) for other waste collection expenses.
- f) Favourable variances arose for Computer Software Licences \$182,011, Computer Software Maintenance \$34,752 and Data Communication Links \$38,081. These are predominantly timing variances however minor savings will be adjusted at the budget review.
- g) This includes favourable timing variances for Advertising – General \$47,042 and Promotions \$63,188 mainly due to the phasing of events. In addition Signage is \$17,014 below budget predominantly for Leisure Planning projects.
- h) Favourable timing variances arose for the contribution to Venueswest for the Joondalup Arena redevelopment \$750,000, Sponsorship \$90,515, including \$25,000 for the sports development funding program and \$25,000 for Constable Care, Prizes and Trophies \$18,961 and the Community Funding Program \$38,698.
- i) Unfavourable variances arose for Refuse Removal charges (\$91,941) which are over budget predominantly due to higher volumes of waste collected from the City's Works Operation Centre and Council Rates on City Properties (\$16,154) partly offset by a favourable variance of \$57,601 for FESA ESL compared to budget estimates. The balance of the variance includes an unfavourable timing variance for Water Rates (\$66,037) as a result of budget phasing. Phasing will be reviewed and adjusted during the mid-year budget review.



## 9. Utilities

This favourable variance includes electricity costs \$302,692, of which \$220,644 relates to Street Lighting and the balance is from a combination of lower usage and reduced tariffs for contestable sites as a result of the abolishment of the Carbon Tax. In addition favourable timing variances arose for water \$13,058 and gas \$2,186.

## 10. Depreciation and Amortisation of Non-Current Assets

Infrastructure Assets depreciation is (\$3,937,327) over budget as a result of the fair value revaluation of assets in 2013-14. In addition, depreciation on Property, Plant and Equipment Assets is (\$203,618) higher than originally estimated due to newly acquired and constructed assets added into the depreciation schedule after the budget was approved. The depreciation budget will be adjusted in the mid-year review.

## 11. Loss on Asset Disposal

A favourable timing variance of \$1,085,000 arose as the budgeted loss on the disposal of identified surplus land parcels held by the City is yet to be assessed later this financial year. This is partly offset by an unfavourable variance of (\$27,646) on the disposal of Fleet and Plant assets.

## 12. Non-Current Provisions

This variance is due to the year to date movement in the non-current long service leave liability being lower than estimated.

## 13. Capital Grants and Subsidies

|                                      | YTD Adopted<br>Budget | YTD Actual         | Variance         |
|--------------------------------------|-----------------------|--------------------|------------------|
| a) Road Preservation and Resurfacing | \$2,484,340           | \$2,890,151        | \$405,811        |
| b) Major Road Construction           | \$1,880,000           | \$2,173,333        | \$293,333        |
| c) Other Grants                      | \$126,667             | \$166,268          | \$39,601         |
|                                      | <u>\$4,491,007</u>    | <u>\$5,229,752</u> | <u>\$738,745</u> |

- a) This favourable variance includes \$467,283 arising from higher than estimated quarterly grant for Roads to Recovery as 90% of the program has been completed. This is offset by lower Federal Local Road Grants received which are (\$74,460) below budget estimates.
- b) The City lodged and received the final grant claim of \$293,333 for the Hodges Drive duplication project. These funds had been budgeted to be received in the previous financial year.
- c) The City received \$28,750 from the Department of Education for additional parking at Woodvale Senior High School, a \$17,539 Lottery West grant for the construction of a dual use path at Hepburn Heights Reserve, \$22,552 from the Department of Sport and Education for floodlighting upgrades at Prince Regent Park and Sorrento Bowling Club and \$21,427 for Black Spot projects which were all budgeted to be



received in 2013-14. In addition unfavourable variances arose for Marmion Ave and Warwick Road (\$24,000) and Hepburn Avenue and Gibson Avenue (\$26,667) which are now complete below budget.

#### 14. Capital Contributions

|                             | YTD<br>Adopted<br>Budget | YTD<br>Actual | Variance  |
|-----------------------------|--------------------------|---------------|-----------|
| a) Local Traffic Management | -                        | \$89,564      | \$89,564  |
| b) Parks Equipment          | -                        | \$94,779      | \$94,779  |
| c) Fleet and Plant          | -                        | \$78,021      | \$78,021  |
| d) Parking Facilities       | -                        | \$48,712      | \$48,712  |
| Other Projects              | -                        | \$5,000       | \$5,000   |
|                             | -                        | \$316,076     | \$316,076 |

a) The City received an unbudgeted contribution from Landcorp to upgrade traffic treatments at Albion Street / Marmion Avenue intersection as part of the terms of the Craigie High School subdivision. This work is programmed for 2016-17 and the money will be held in reserve until then.

b) The City received contributions from respective clubs for sports floodlighting projects at Prince Regent Park \$73,850 and Sorrento Bowling Club \$20,929 which were budgeted to be received in the previous financial year.

c) This favourable variance relates to a vehicle that was transferred to the City for use by Wanneroo – Joondalup SES, and which is offset by corresponding capital expenditure (refer note 18).

d) The City received a contribution from Hillarys Primary School for parking embayments constructed in 2013-14 at the Kiss and Ride facility which was budgeted to be received in the previous financial year.

#### 15. Equity Distribution - Tamala Park Regional Council

This favourable variance is due to the City's dividend received from the Tamala Park Regional Council in respect of the Catalina residential land development project being higher than originally estimated. These funds will be transferred to reserve.

#### 16. Capital Projects

|  | YTD<br>Adopted<br>Budget | YTD<br>Actual | Variance    |
|--|--------------------------|---------------|-------------|
| a) Ocean Reef Marina Development                         | \$668,000                | \$359,899     | \$308,101   |
| b) Joondalup Performing Arts & Cultural Facility (JPACF) | \$452,745                | \$38,358      | \$414,387   |
| c) Expansion Joints CLC Aquatic Tiles                    | \$60,000                 | \$31,322      | \$28,678    |
| d) Acquisition of Land Lot 12223, Padbury                | \$88,000                 | -             | \$88,000    |
| e) Information Technology Projects                       | \$663,168                | \$555,798     | \$107,370   |
| Other Projects   | \$470,250                | \$403,971     | \$66,279    |
|  | \$2,402,163              | \$1,389,348   | \$1,012,815 |



- a) Tasks associated with the preparation of the Public Environmental Review, Metropolitan Region Scheme Amendment and Local Structure Plan continued throughout the period. The year to date variance reflects timing differences.
- b) It is anticipated that expenditure will increase in the coming months now that consultants and project architects have prepared a draft report on the review of the conceptual design and feasibility study.
- c) This project is complete below budget.
- d) The acquisition of land at Lot 12223, Padbury is progressing later than originally estimated.
- e) This is due to favourable timing variances on a number of Information Technology and CCTV projects that are progressing behind budget phasing.

### 17. Capital Works

|  | YTD<br>Adopted<br>Budget | YTD Actual          | Variance           |
|--|--------------------------|---------------------|--------------------|
| a) Road Preservation / Resurfacing Program | \$3,426,298              | \$3,280,400         | \$145,898          |
| b) Parks Equipment Program                 | \$951,614                | \$850,155           | \$101,459          |
| c) Stormwater Drainage Program             | \$472,500                | \$308,075           | \$164,425          |
| d) Streetscape Enhancement Program         | \$629,500                | \$459,294           | \$170,206          |
| e) Parks Development Program               | \$446,056                | \$513,864           | (\$67,808)         |
| f) Major Projects Program                  | \$9,936,073              | \$4,960,074         | \$4,975,999        |
| g) Major Building Capital Works Program    | \$722,833                | \$657,103           | \$65,730           |
| h) Street Lighting Program                 | \$510,000                | \$205,266           | \$304,734          |
| i) Traffic Management Program              | \$1,335,580              | \$1,187,980         | \$147,600          |
| j) Parking Facilities Program              | \$230,000                | \$287,598           | (\$57,598)         |
| Other Works variances - not material       | \$496,500                | \$525,889           | (\$29,389)         |
|  | <u>\$19,156,954</u>      | <u>\$13,235,698</u> | <u>\$5,921,256</u> |

- a) The Road Preservation Program's favourable timing variance of \$145,898 includes West Coast Drive \$349,301 which is in the design stage and will now be tied into a local traffic management project due for construction in March 2015. This is offset by unfavourable variances across a number of projects including resurfacing on Warwick Road projects totalling (\$86,316) which is complete ahead of schedule as well as a number of projects that have commenced ahead of schedule including Castlecrag Drive (\$134,344) and Prince Regent Drive (\$69,626).
- b) This favourable variance includes the Floodlight and Pole Replacement Program \$139,963, which is undergoing an audit to develop the program, playground equipment installation at both Conidae Park \$70,510 and Hilton Park \$32,660 which are complete awaiting final invoices. Fenton Park - new playground shows a favourable timing variance of \$44,915 due to delays in the delivery of equipment.



These are offset by unfavourable variances on Iluka District Open Space Floodlight Upgrade (\$31,722), Falkland Park / Kinross College Tennis Court Lighting (\$21,984), Sorrento Bowling Club Floodlighting Upgrade (\$26,481), Prince Regents Sports Floodlighting (\$18,560) and Installation of Decommissioned Howitzer (\$13,344) which are funded by monies brought forward from 2013-14. The balance of the variance is due to net unfavourable timing variances across a number of projects including Park Signage renewal (\$40,692) and Central Park Boardwalk replacement (\$30,005).

- c) This favourable variance is mainly a result of a number of projects within the Stormwater Drainage program progressing behind budget phasing due to contractor availability, including Sherrington Road - Upgrade Low Point \$60,000, Ackworth Crescent Low Point Drainage Upgrade \$50,000, Springvale Drive Drainage and Forest Park Sump Overflow \$30,000. In addition, Sandalwood Drive – Stage 2 Upgrade is complete \$38,205 below budget. This is partly offset by an unfavourable variance on the Otago Park Sump Beautification (\$51,599), which is funded by monies brought forward from 2013-14, and 10 Cook Avenue (\$14,748) which is complete over budget.
- d) This is due mainly to the Streetscape Renewal Program \$43,505 which has just commenced and Shenton Avenue Landscaping \$149,874 which is complete but awaiting final invoices. These are offset by projects Entry Statements – Joondalup Drive (\$17,317) and Future management of Street Trees North (\$5,857) being completed over budget.
- e) This unfavourable variance is mainly due to Penistone Park East Irrigation upgrades (\$59,063), which is complete, and Broadbeach / Flinders Park Upgrades (\$166,930) which is progressing ahead of budget estimate. This is partly offset by an underspend of \$31,397 for the Springvale Park in addition to a number of projects within the program progressing behind phasing including Windermere Park \$30,000, Elcar Park \$34,500, Harbour Rise SAR \$25,000 and Iluka SAR Upgrades infill landscaping \$26,700.
- f) This arises mainly from a favourable timing variance of \$4,048,312 for the Multi Storey Car Park on Boas Avenue which is under construction, as well as Ocean Reef Floating Jetties \$459,254, which has been rescheduled to commence in April after the high user periods, Penistone Park redevelopment \$179,618 and Synthetic Hockey Pitch \$138,786.
- g) Favourable variances arose across a number of projects in the Building Capital Works Program which are in various stages of progress with outstanding commitments totalling \$300,532. This is partly offset by projects carried forward from 2013-14 for Joondalup Library and Reception Centre chiller replacement (\$132,084) and the extension of the Wanneroo / Joondalup SES facility (\$33,828).
- h) Favourable variances arose for Joondalup City Centre Lighting \$134,171, which has been referred to a consultant to review the City's lighting and provide a design, as well as Candlewood Boulevard Lighting \$50,820, Collier Pass – Lighting at underpass \$29,841 and Twickenham Drive / Chelsea Court street lighting \$11,022 which are all complete under budget. In addition, Central Park Lighting Upgrade \$60,000 has been rescheduled to April following completion of pilot testing lighting



effects with the CCTV coverage and a twelve weeks' lead time for the delivery of the poles.

- i) The State Black Spot Program is complete \$234,010 below budget. This includes Joondalup Drive and Shenton Avenue Intersection \$260,408 and Hepburn Avenue and Wanneroo Road \$172,293, due to a reduction in the scope of works as a result of unsuccessful State Black Spot grand funding applications, partly offset by Ocean Reef Road / Swanson Way (\$248,256) which is funded by monies brought forward from 2013-14.

This is offset by an unfavourable variance for the Local Traffic Management Program (\$86,410) mainly due to Whitords Avenue intersection (\$218,171), which is funded by monies brought forward from 2013-14, offset by a number of projects across the program completed under budget.

- j) The Parking Facilities program's unfavourable variance is mainly due to Admiral Reserve - Additional Parking (\$86,499) which is complete ahead of budget phasing, partly offset by Mawson Parking Embayments \$28,462 which is complete under budget.

#### **18. Motor Vehicle Replacements**

Net favourable savings of \$120,551 have arisen on Fleet and Plant purchased to date, in addition to favourable timing variances of \$789,000 for purchases still under review. This is offset by an unfavourable variance of (\$78,021) for a vehicle which was transferred to the City for use by Wanneroo – Joondalup SES, the cost of which is offset by a capital contribution (refer note 14).

#### **19. Tamala Park Regional Council (TPRC) Development Costs**

The land development costs as advised by TPRC are not in the 2014-15 budget.

#### **20. Proceeds from Disposal**

This variance includes unfavourable timing variances for the disposal of surplus land parcels held by the City (\$3,348,750) due to rescheduling of disposal proceedings and Fleet and Plant assets (\$23,147).

#### **21. Recoupment of MRF Funding**

As a result of the closure of the Materials Recovery Facility the City issued an invoice for the balance of its unrecovered funding of the facility.



## 22. Closing Funds

|  | June 2014           | December 2014        |
|--|---------------------|----------------------|
| <b>Current Assets</b>                    |                     |                      |
| Cash Assets                              | \$72,069,086        | \$121,306,191        |
| Rates and Sundry Debtors                 | \$2,318,645         | \$17,437,451         |
| GST Receivable                           | \$1,057,569         | \$862,932            |
| Accrued Income                           | \$1,584,009         | \$1,729,739          |
| Advances and Prepayments                 | \$65,644            | \$571,256            |
|  | \$77,094,953        | \$141,907,569        |
| <b>Less: Current Liabilities</b>         |                     |                      |
| Creditors                                | (\$3,504,939)       | (\$1,277,428)        |
| Sundry Payables                          | (\$473,280)         | (\$9,095,472)        |
| Provisions - Annual Leave                | (\$3,993,937)       | (\$4,082,157)        |
| Provisions - Other                       | (\$7,759,035)       | (\$8,771,237)        |
| Accrued Expenses                         | (\$4,458,775)       | (\$4,704,588)        |
| Income in Advance                        | (\$1,709,829)       | (\$57,750)           |
| Borrowings                               | (\$1,399,466)       | (\$709,995)          |
| GST Payable                              | (\$257,662)         | (\$101,010)          |
|  | (\$23,556,923)      | (\$28,799,637)       |
| <b>Net Current Assets</b>                | <b>\$53,538,030</b> | <b>\$113,107,932</b> |
| <b>Add: Borrowings</b>                   | \$1,399,466         | \$709,995            |
| <b>Less: Reserve Accounts</b>            | (\$53,872,049)      | (\$53,872,049)       |
| <b>Closing Funds – Surplus/(Deficit)</b> | <b>\$1,065,447</b>  | <b>\$59,945,878</b>  |