



# City of Joondalup

Financial Activity Statement for the  
Period Ended 30 June 2016 (Subject to  
end of year finalisation)

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**City of Joondalup**  
**Financial Activity Statement**  
for the period ended 30 June 2016  
(Subject to end of year finalisation)

Appendix 1

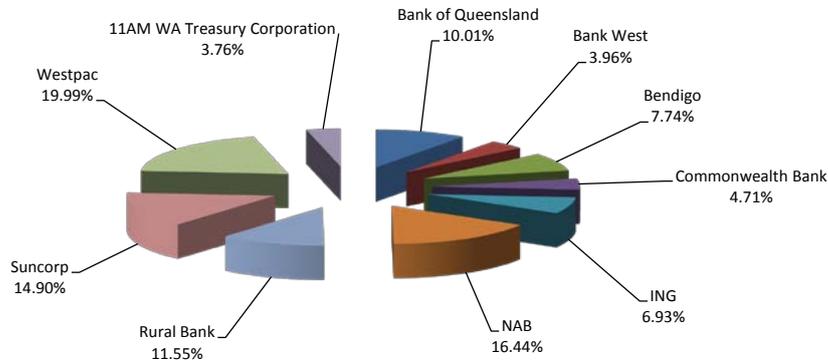
	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>						
Rates	1	(91,920,072)	(91,920,072)	(92,066,543)	146,472	0%
Specified Area Rates		(413,411)	(413,411)	(415,968)	2,557	1%
Grants and Subsidies	2	(2,085,431)	(2,085,431)	(2,170,849)	85,418	4%
Contributions Reimbursements and Donations		(1,864,975)	(1,864,975)	(1,874,023)	9,048	0%
Profit on Asset Disposals	3	(1,983,981)	(1,983,981)	(3,168,580)	1,184,599	60%
Fees and Charges	4	(39,364,021)	(39,364,021)	(39,188,898)	(175,123)	(0)%
Interest Earnings	5	(4,042,506)	(4,042,506)	(4,207,789)	165,283	4%
Other Revenue/Income	6	(350,250)	(350,250)	(788,201)	437,951	125%
<b>Total Operating Revenue</b>		<b>(142,024,647)</b>	<b>(142,024,647)</b>	<b>(143,880,851)</b>	<b>1,856,204</b>	<b>1%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	7	60,483,211	60,483,211	59,368,156	1,115,055	2%
Materials and Contracts	8	52,084,611	52,084,611	46,338,159	5,746,452	11%
Utilities (gas, electricity, water etc.)	9	6,218,830	6,218,830	5,829,709	389,121	6%
Depreciation & Amortisation of Non-Current Assets	10	29,531,594	29,531,594	27,039,636	2,491,958	8%
Loss on Asset Disposals	11	474,202	474,202	2,143,060	(1,668,858)	(352)%
Interest Expenses		672,797	672,797	649,509	23,288	3%
Insurance Expenses		1,519,769	1,519,769	1,557,888	(38,119)	(3)%
<b>Total Operating Expenses</b>		<b>150,985,014</b>	<b>150,985,014</b>	<b>142,926,117</b>	<b>8,058,897</b>	<b>5%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>8,960,367</b>	<b>8,960,368</b>	<b>(954,734)</b>	<b>9,915,101</b>	<b>(111)%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation & Amortisation of Non Current Assets		(29,531,594)	(29,531,594)	(27,039,636)	(2,491,958)	(8)%
Loss on Asset Disposal		(474,202)	(474,202)	(2,143,060)	1,668,858	352%
Profit on Asset Disposals		1,983,981	1,983,981	3,168,580	(1,184,599)	60%
Other Non-Current items						
Movement in Non-current Items	12	100,000	100,000	300,902	(200,902)	201%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(18,961,448)</b>	<b>(18,961,448)</b>	<b>(26,667,948)</b>	<b>7,706,499</b>	<b>41%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies	13	(12,853,301)	(12,853,301)	(10,696,365)	(2,156,936)	(17)%
Capital Contributions	14	(751,400)	(751,400)	(460,455)	(290,945)	(39)%
Equity Distribution - TPRC	15	(3,333,333)	(3,333,333)	(2,551,677)	(781,656)	(23)%
Acquired Infrastructure Assets		-	-	-	-	-
<b>Total Non-Operating Revenue</b>		<b>(16,938,034)</b>	<b>(16,938,034)</b>	<b>(13,708,497)</b>	<b>(3,229,537)</b>	<b>(19)%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	16	8,163,048	8,163,049	5,839,484	2,323,565	28%
Capital Works	17	43,697,455	43,697,455	35,371,721	8,325,734	19%
Vehicle and Plant Replacements	18	2,850,661	2,850,661	2,134,629	716,032	25%
Loan Repayment Principal	19	1,940,221	1,940,221	1,823,565	116,656	6%
Equity Investments		44,683	44,683	44,674	9	0%
<b>Total Capital Expenditure</b>		<b>56,696,068</b>	<b>56,696,069</b>	<b>45,214,073</b>	<b>11,481,996</b>	<b>20%</b>
TPRC Development Costs		-	-	-	-	-
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>39,758,034</b>	<b>39,758,035</b>	<b>31,505,576</b>	<b>8,252,459</b>	<b>21%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>20,796,586</b>	<b>20,796,586</b>	<b>4,837,628</b>	<b>15,958,958</b>	<b>(77)%</b>
<b>FUNDING</b>						
Proceeds from Disposal	20	(6,133,188)	(6,133,188)	(2,464,598)	(3,668,590)	(60)%
Loans - New Borrowings	21	(2,498,000)	(2,498,000)	(1,769,000)	(729,000)	(100)%
Transfer from Trust	22	(339,048)	(339,048)	-	(339,048)	(100)%
Transfer from Reserve	22	(24,788,728)	(24,788,728)	-	(24,788,728)	(100)%
Transfer to Reserve	22	16,101,380	16,101,380	-	16,101,380	100%
Transfer to Accumulated Surplus		-	-	-	-	-
Transfer from Accumulated Surplus		-	-	-	-	-
Opening Funds		(3,139,002)	(3,139,002)	(3,139,002)	(0)	(0)%
<b>CLOSING FUNDS</b>	23	<b>-</b>	<b>-</b>	<b>(2,534,972)</b>	<b>2,534,972</b>	<b>#DIV/0!</b>

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	3.08%	2.99%	\$ 8,660,000	10.01%	10%
AA-	A-1+	Bank West Term Deposit	2.96%	2.87%	\$ 3,430,000	3.96%	25%
A-	A-2	Bendigo Term Deposit	2.88%	2.93%	\$ 6,700,000	7.74%	10%
AA-	A-1+	Commonwealth Bank Term Deposit	2.96%	2.96%	\$ 4,080,000	4.71%	25%
A-	A-2	ING Term Deposit	3.03%	3.02%	\$ 6,000,000	6.93%	10%
AA-	A-1+	NAB Term Deposit	3.04%	2.98%	\$ 14,230,000	16.44%	25%
A-	A-2	Rural Bank Term Deposit	3.06%	3.03%	\$ 10,000,000	11.55%	10%
A+	A-1	Suncorp Term Deposit	3.03%	2.98%	\$ 12,900,000	14.90%	15%
AA-	A-1+	Westpac Term Deposit	3.00%	2.91%	\$ 17,300,000	19.99%	25%
AA+	A-1+	11AM WA Treasury Corporation	1.70%	1.91%	\$ 3,251,000	3.76%	25%

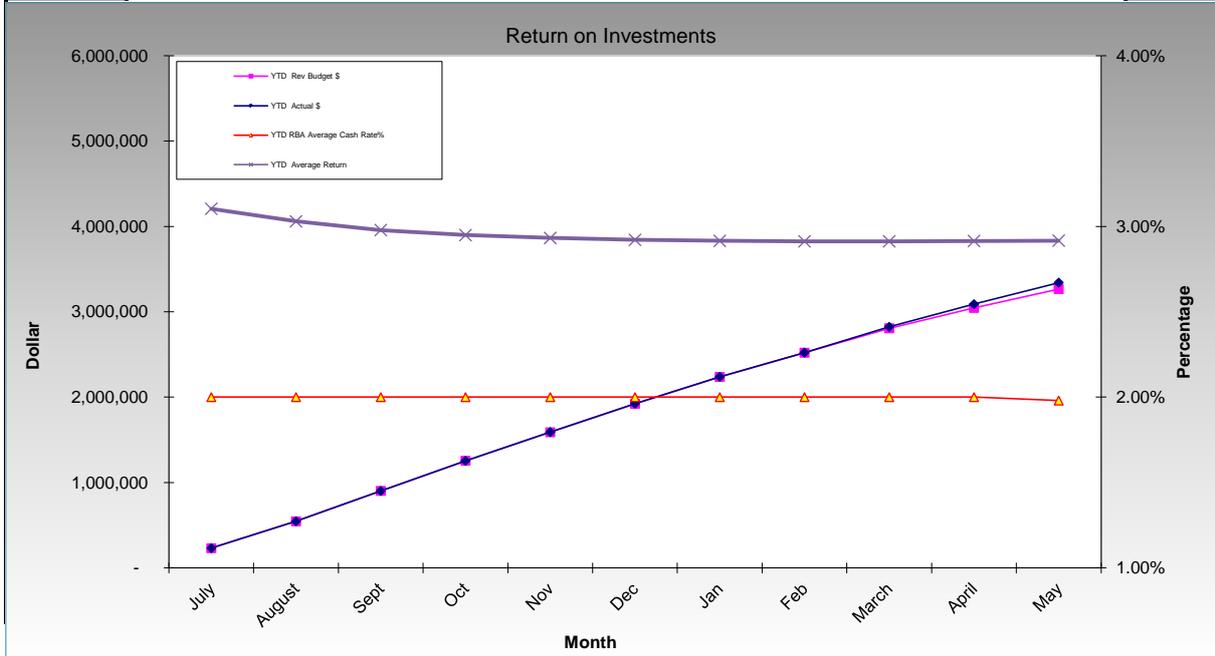
<b>Total Investment Portfolio</b>	2.97%	2.93%	<b>86,551,000</b>	100.00%
<b>Municipal Funds</b>			33,851,953	
<b>Reserve Funds</b>			52,699,047	(Subject to End of Year Finalisation)
			<b>86,551,000</b>	

Overall Portfolio Limits		Value\$	% Current	% Limit
Long Term	Short Term			
AA	A-1+	42,291,000	48.9%	100%
A	A-1	12,900,000	14.9%	50%
A	A-2	31,360,000	36.2%	40%

### City of Joondalup - Investment Balances



Month	Rev Budget \$	MTD Actual \$	YTD Rev Budget \$	YTD Actual \$	YTD RBA Average Cash Rate%	YTD Average Return
July	231,571	231,571	231,571	231,571	2.00%	3.10%
August	314,846	314,846	546,417	546,417	2.00%	3.03%
Sept	355,868	355,868	902,285	902,285	2.00%	2.98%
Oct	352,756	352,756	1,255,041	1,255,041	2.00%	2.95%
Nov	334,007	336,254	1,589,048	1,591,295	2.00%	2.93%
Dec	333,293	332,849	1,922,341	1,924,144	2.00%	2.92%
Jan	314,374	314,256	2,236,715	2,238,400	2.00%	2.92%
Feb	284,205	283,456	2,520,920	2,521,856	2.00%	2.91%
March	285,809	302,042	2,806,730	2,823,898	2.00%	2.91%
April	238,676	265,176	3,045,406	3,089,075	2.00%	2.91%
May	221,248	252,605	3,266,654	3,341,680	1.98%	2.92%
June	183,533	226,336	3,450,187	3,568,016	1.96%	2.93%





**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR  
THE PERIOD ENDED 30 JUNE 2016 (Subject to end of year finalisation)**

**1. Rates**

Increased revenue is due mainly to additional interim rates from newly developed properties.

**2. Grants and Subsidies**

The City received unbudgeted grants for Currambine Youth Space \$10,000 and Aged Friendly Communities \$10,000 and an unbudgeted subsidy for Street Lighting of \$49,823. In addition, grants received for Joondalup Festival are \$20,673 higher than estimated. The balance of the variance is spread across a number of areas.

**3. Profit on Asset Disposals**

Gains on the disposal of Tamala Park Regional Council (TPRC) land parcels, which were not included in the budget, generated a favourable variance of \$1,753,479, partly offset by an unfavourable variance of (\$586,850) mainly due to the timing of the disposal of surplus land holdings. In addition, profit on the disposal of Fleet and Plant assets is \$17,970 higher than budget.

**4. Fees and Charges**

	YTD Revised Budget	YTD Actual	Variance
a) Refuse Charges	\$20,122,400	\$20,207,977	\$85,577
b) Building and Development	\$2,173,325	\$1,913,610	(\$259,715)
c) Sports and Recreation Fees	\$8,565,556	\$8,306,237	(\$259,319)
d) Fines and Penalties	\$1,476,692	\$1,674,712	\$198,020
e) Hire and Rentals	\$830,848	\$883,473	\$52,625
f) Licences and Registrations	\$797,563	\$844,311	\$46,748
Other Fees and Charges Variances	\$5,397,637	\$5,358,578	(\$39,059)
	<u>\$39,364,021</u>	<u>\$39,188,898</u>	<u>(\$175,123)</u>

a) This comprises favourable variances for Domestic Refuse Removal Charges \$75,707 and New / Additional Bin Establishment Fees \$9,870.

b) With activity being less than forecast, unfavourable variances have arisen for Building Licences (\$179,320) and Development and Application Fees (\$91,529). In addition, an unfavourable timing variance arose for Cash in Lieu of Parking (\$21,000) which is now forecast to be received in the next financial year. These are offset by a favourable variance for Building and Development Charges \$26,335 which is higher than budget estimate.

c) This unfavourable variance has arisen across a number of accounts including Admission Fees (\$90,445), due to lower than estimated attendance volumes, Learn to Swim Program (\$93,808), Term Program Activities (\$56,187) and Personal Training (\$30,716). Total Membership Fees (\$34,014) were generally lower than estimated, mainly in the Fitness Centre, partly offset by Group Fitness and Pool Memberships which showed greater than expected revenue. Facility Hire bookings were higher than estimated in May generating a favourable variance of \$45,082.

- d) Favourable variances arose for Parking Infringements \$182,021, due to a higher than estimated number of infringements issued, Local Government Act – Costs and Fines \$26,441, predominantly for Building, Planning and Environmental Health non compliance fines and Dog Act Costs and Fines \$16,850. These are offset partly by unfavourable variances across a number of areas including Poundage Fees (\$12,015), Cat Act Costs and Fines (\$4,764) and Litter Act Fines (\$4,428).
- e) This favourable variance includes higher than estimated Rental income for City leased properties of \$44,212 and other Hire and Rental charges \$8,413.
- f) This favourable variance is mainly due to additional revenue for Dog Registrations \$20,717, Food Business Administration Fees \$19,241 and Trading in Public Space Licences \$8,965.

## 5. Interest Earnings

Interest earned on investments exceeded budget by \$117,870 with the volume of investment funds being higher than budgeted, in addition to greater than budgeted penalty interest \$47,413 on rates overdue account balances.

## 6. Other Revenue

The City received an unbudgeted workers compensation insurance rebate of \$369,285 from the Local Government Insurance Scheme (LGIS) pertaining to 2011-12 and 2012-13 claim years. In addition, favourable variances arose from Capital Works accruals \$57,727 that were overstated in the prior financial year, which will be treated as a correction in the Annual Financial Report, as well as a net favourable variance of \$10,939 from Other Revenue, Discounts and Rebates.

## 7. Employee Costs

	YTD Revised Budget	YTD Actual	Variance
a) Salaries and Wages	\$57,187,949	\$57,377,727	(\$189,778)
b) Other Employment Costs	\$3,295,262	\$1,990,429	\$1,304,833
	<u>\$60,483,211</u>	<u>\$59,368,156</u>	<u>\$1,115,055</u>

- a) The Provision for Employee Entitlements is (\$323,154) higher than budgeted and arises from the timing of annual and long service leave taken. This is partly offset by a net favourable variance of \$133,376 mainly due to vacant positions across the City.
- b) A favourable variance of \$1,509,804 arose for Workers Compensation mainly as a result of the write back of provisions \$1,384,848 pertaining to claim years 2011-12 and 2012-13 that are no longer required. Other favourable variances arose for Capital Labour Recoveries \$85,003, due to higher than estimated use of internal labour on capital projects compared to budget estimates, Staff Training \$46,549 and Conferences and Seminars \$26,008. These are partly offset by an unfavourable variance for Agency Employees (\$359,425), mainly to cover long term leave and vacancies predominantly in Parks (\$175,151), Human Resources Administration (\$45,390), Civil Projects Management (\$46,570), Engineering (\$36,586) and Waste Management (\$38,796), partly offset by a favourable variance for Environmental Health Services \$10,500.

## 8. Materials and Contracts

	YTD Revised Budget	YTD Actual	Variance
a) External Service Expenses	\$23,208,633	\$21,964,158	\$1,244,475
b) Waste Management	\$7,759,438	\$6,875,724	\$883,714
c) Professional Fees and Costs	\$2,610,356	\$1,924,944	\$685,412
d) Administration	\$1,421,904	\$1,153,138	\$268,766
e) Travel, Vehicles and Plant	\$1,669,564	\$1,582,154	\$87,410
f) Furniture, Equipment and Artworks	\$2,585,965	\$2,461,317	\$124,648
g) Public Relations, Advertising and Promotions	\$1,264,936	\$1,133,462	\$131,474
h) Contributions and Donations	\$4,161,831	\$1,751,461	\$2,410,370
i) Charges and Recoveries	(\$427,956)	(\$266,539)	(\$161,417)
Other Materials and Contracts	\$7,829,940	\$7,758,340	\$71,600
	<u>\$52,084,611</u>	<u>\$46,338,159</u>	<u>\$5,746,452</u>

- a) External Contractors and Services is \$343,631 below budget predominantly for City Administration \$133,349, these funds will be carried forward for projects that will be completed in 2016-17, Engineering Maintenance \$118,125 and Landscaping and Conservation Services \$45,230. In addition, favourable variances arose for Bulk and Domestic Tipping Fees \$838,062 due to lower tonnages collected compared to budget estimates and Pest Control \$45,033 predominantly due to midge treatment not being required. The balance is spread across a number of areas.
- b) Favourable variances arose for Bulk Collection \$555,023, Weekend Greens Collection \$147,693, Domestic Collection \$75,862 and collection and processing of Recyclables \$111,737, largely as a result of a downward trend in tonnages across the metropolitan area and the cessation of bulk collections in May 2016, in anticipation of the new bulk waste service to be rolled out in the next financial year.
- c) This is predominantly due to favourable timing variances for Consultancy \$445,834 and Legal Expenses \$124,975, these funds are now forecast to be expended in the next financial year, in addition to Research expenditure which is \$128,647 below budget.
- d) This favourable variance is mainly due to Printing \$72,065, Photography and Video Production \$59,022, Interstate and Overseas Conferences \$27,125 and Corporate Membership \$11,739. In addition, a favourable timing variance arose for landscaping and other works for the Administration Building and Civic Centre \$100,691 which will be carried forward to the next financial year.
- e) Expenditure on Fleet and Plant operating costs was lower than estimated in the budget for Fuel \$64,793 and Parts and Repairs \$25,063
- f) This includes favourable variances for Computer and Communications Equipment Maintenance \$49,044, Computer Purchases \$26,293, Plant and Equipment Maintenance \$12,497 and Hire of Equipment \$20,867.
- g) Expenditure was lower than estimated across a number of areas including Promotions \$79,646, Signage/Decals \$21,832, Advertising \$10,575 and Catering \$8,890.



- h) The redevelopment of the HBF Arena is progressing behind previous estimates generating a favourable timing variance of \$2,250,000 in respect of the City's contribution to this project. These funds will be carried forward to the 2016-17 financial year. The balance of the favourable variance is spread across a number of areas including Sponsorship \$80,817 and Grants and Contributions \$62,284.
- i) Capital Overhead Recoveries are (\$210,197) lower than budget, predominantly due to the budget being overstated. This is partly offset by a favourable Fleet and Plant recovery variance from capital jobs of \$48,812.

## 9. Utilities

Electricity costs are \$400,780 lower than estimated with savings generated from both a lower unit price increase for street lighting and savings resulting from a new electricity supply contract for contestable sites. This is partly offset a net unfavourable variance of (\$11,660) for Water and Gas usage.

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

Depreciation for the period is yet to be finalised however it is not anticipated to be materially different from budget estimates.

## 11. Loss on Asset Disposals

The removal of Barridale Lodge from the City's asset register generated an unfavourable variance of (\$2,007,600); this will be treated as a prior year correction in the Annual Financial Report. This is partly offset by favourable timing variances for the disposal of Fleet and Plant \$232,696 and surplus land holding \$106,046.

## 12. Non-Current Items

This includes the year to date movement in the non-current long service leave liability of \$115,444 that is greater than estimated mainly due to the change of entitlements from non-current to current based on age. In addition, the net year to date movement in Pensioner Deferred Rates, Pensioner Deferred Emergency Service Levy and Long Service Leave due from other Councils is \$85,454.

## 13. Capital Grants and Subsidies

	YTD Revised Budget	YTD Actual	Variance
a) Slab Path Replacement Program	\$600,000	\$978,182	\$378,182
b) Major Projects Program	\$2,151,955	\$1,378,752	(\$773,203)
c) Blackspot Projects	\$1,057,000	\$611,176	(\$445,824)
d) Street Lighting Program	\$401,561	\$125,428	(\$276,133)
e) Major Road Construction	\$3,122,800	\$2,708,000	(\$414,800)
f) Ocean Reef Marina	\$500,000	-	(\$500,000)
g) Other Grants	\$5,019,985	\$4,894,827	(\$125,158)
	<u>\$12,853,301</u>	<u>\$10,696,365</u>	<u>(\$2,156,936)</u>

- a) This favourable timing variance is due to the early receipt of grant funding for the Robertson Road Cycleway.



- b) Grant revenue received is below budget for the Synthetic Hockey Pitch (\$490,000) and Sorrento Beach Enclosure (\$278,748). These projects are progressing behind budget phasing and the grants are now forecast to be received in the next financial year.
- c) Unfavourable timing variances have arisen for a number of the Blackspot Projects including Oceanside Promenade (\$234,000) and Joondalup Drive / Shenton Avenue Lighting Upgrade (\$147,600). In addition, unfavourable variances arose for Joondalup Drive / Hodges Drive / Grand Boulevard (\$47,253) and Marmion Avenue / Shenton Avenue Roundabout (\$7,971) projects which were completed under budget resulting in lower grant claims.
- d) This unfavourable timing variance is due to Chichester Park (\$169,662) and Ocean Reef Park (\$121,471) Floodlighting Upgrades which are now complete however final grant claims will be made in the next financial year.
- e) Unfavourable timing variance arose for Whitfords Avenue – Northshore Drive to Belrose Entrance Dualling (\$360,000) and Ocean Reef Road / Joondalup Drive Intersection Upgrade (\$282,800) which are progressing behind budget phasing. These are partly offset by a favourable timing variance for Whitfords Avenue Upgrades \$228,000 which was budgeted to be received in 2016-17.
- f) The grant for the Ocean Reef Marina project has not been received, this is now budgeted to be received in the 2016-17 financial year.
- g) This is mainly driven by unfavourable timing variances for Hepburn Avenue Perth Bike Network Shared Path (\$130,000) and Sunset Coast Trail Signage (\$18,085). Final grants for these projects will be claimed in the next financial year.

#### **14. Capital Contributions**

Sporting club contributions for floodlighting upgrade projects that are complete at Ocean Reef Park (\$167,546) and Percy Doyle (\$50,000) will now be received in the next financial year. Unfavourable timing variances also arose for the Telstra Proof of Concept Project at Tom Simpson Park (\$73,755) and the Tennis Court Resurfacing Program (\$49,530), which are now scheduled for completion in 2016-17. These are partly offset by a favourable variance of \$55,102 for a vehicle transferred to the City for use by the SES Wanneroo / Joondalup which is offset by a corresponding capital expenditure (refer note 19).

#### **15. Equity Distribution – Tamala Park Regional Council**

Equity distributions received from Tamala Park Regional Council (TPRC) are lower than budget estimates.

## 16. Capital Projects

	YTD Revised Budget	YTD Actual	Variance
a) Joondalup Performing Arts & Cultural Facility (JPACF) and Jinan Garden	\$1,736,954	\$1,298,021	\$438,933
b) Parking Ticket Machines – Upgrade	\$197,105	-	\$197,105
c) Ocean Reef Marina	\$1,422,924	\$1,163,151	\$259,773
d) Telstra Proof of Concept Project – Tom Simpson Park Mullaloo	\$147,510	\$276	\$147,234
e) Joondalup City Centre Commercial Office Development	\$259,070	\$166,170	\$92,900
f) Better Bins Project	\$400,000	-	\$400,000
g) Cafes, Restaurants and Kiosks	\$180,000	\$88,316	\$91,684
h) Mullaloo Surf Life Saving Club Refurbishment	\$225,000	-	\$225,000
i) Land Purchase – Blackwattle Parade, Padbury	\$88,000	-	\$88,000
j) Youth Bus Fit-out	\$90,000	-	\$90,000
k) Public Artwork	\$161,922	\$68,064	\$93,858
l) Replacement of CCTV Equipment – Boas Ave	\$60,000	-	\$60,000
m) IT Disaster Recovery Facilities	\$139,502	\$95,765	\$43,737
Other Projects	\$3,055,062	\$2,959,721	\$95,341
	<u>\$8,163,049</u>	<u>\$5,839,484</u>	<u>\$2,323,565</u>

- a) This favourable variance is due to the timing of the receipt of progress invoices for the development of the schematic design. It is anticipated that this variance amount will be fully expended in the coming months.
- b) The roll out of the ticket machine upgrade is continuing with completion now scheduled in the first quarter of 2016-17.
- c) This variance is due to the timing of progress invoices for the tasks associated with the preparation Local Structure Plan and the preparation and submission of the Public Environmental Review.
- d) Expenditure will commence later than budget phasing, with the project now to be completed in 2016-17.
- e) The finalisation of the review of the Boas Place Concept and preparation of marketing materials is behind budget estimates generating this favourable timing variance.
- f) Rollout of the project is progressing and will continue into 2016-17.
- g) This favourable timing variance arose as a result of Council's decision for the City to undertake a new Expression of Interest process for a facility at Burns Beach.
- h) The City has continued discussions with the Club in regard to the Development Application and leasing terms, however the project is progressing behind budget estimates.



- i) The City has received approval from the Minister for Lands in relation to the acquisition of this property, finalisation of the acquisition will now occur in the 2016-17 financial year.
- j) Work has commenced on the fit-out of the vehicle, with the project expected to be completed early in the 2016-17 financial year.
- k) The Public Artwork project, Emperor Gum Moth, is now scheduled for completion in 2016-17 and unspent funds will be carried forward.
- l) The contract has now been awarded and works scheduling is underway for implementation in 2016-17.
- m) This favourable variance is due to the timing of the implementation which is progressing behind budget estimates.

## 17. Capital Works

	YTD Revised Budget	YTD Actual	Variance
a) Road Preservation / Resurfacing Program	\$7,252,338	\$6,603,222	\$649,116
b) Major Projects Program	\$11,040,981	\$10,223,554	\$817,427
c) Foreshore and Natural Areas Management Program	\$527,797	\$408,970	\$118,827
d) Parks Equipment Program	\$2,163,953	\$1,978,869	\$185,084
e) Major Building Capital Works Program	\$4,977,595	\$3,069,096	\$1,908,499
f) Local Traffic Management	\$832,027	\$505,222	\$326,805
g) Major Road Construction Program	\$6,039,049	\$4,558,639	\$1,480,410
h) Street Lighting Program	\$3,817,797	\$1,887,910	\$1,929,887
i) New Path Program	\$902,631	\$723,088	\$179,543
j) Slab Path Replacement	\$1,090,762	\$960,087	\$130,675
k) Blackspot Projects	\$1,300,000	\$720,268	\$579,732
Other Works variances – not material	\$3,752,525	\$3,732,796	\$19,729
	<u>\$43,697,455</u>	<u>\$35,371,721</u>	<u>\$8,325,734</u>

- a) This net favourable variance is due to a number of projects completed under budget \$960,046, partly offset by unfavourable variances totalling (\$310,930) for projects completed over budget including drainage preparation works for the 2016-17 program.
- b) Favourable timing variances arose for Sorrento Beach Enclosure \$469,445, the tender has been awarded and installation is forecast for completion in November 2016, and Penistone Park \$234,081. In addition, favourable variances arose for Bramston Park Facility \$239,304 and Multi-Storey Car Park \$64,399 which are complete below budget. These are partly offset by unfavourable variances for Marmion Foreshore Parking (\$83,571) which is complete and the Synthetic Hockey Project (\$104,202) which is a multiyear project progressing ahead of schedule.
- c) Projects completed under budget total \$157,609, this includes Wetlands Renewal Program \$57,052, Coastal Foreshore Fencing Renewal Program \$32,638,



Conservation Reserves Interpretive Signage \$32,929 and Lilburne Park Pathway renewal \$20,808. These are offset by (\$38,781) for projects completed over budget including Shepherds Bush Park Path Renewal (\$30,720).

- d) Favourable timing variances on projects to be completed in the next financial year include the Tennis Court Resurfacing Program \$97,648, Windermere Park \$119,272 and the Fish Cleaning Station \$38,573. A net unfavourable variance of (\$70,409) arose across the remainder of the program predominantly due to Hawker Park (\$33,410) as a result of an increase in scope due to pathogen management involving removal of trees and installation of wash down facilities and costs associated with managing contaminated soil and Shepherds Bush Park new playground (\$55,206), due mainly to modifications to the design and project scope in conjunction with new additional works for Robertson Road Cycleway.
- e) This is predominantly due to favourable timing variances on a number of projects including SES Winton Road \$602,792 and Kingsley Clubrooms \$477,378, which were delayed as a result of the original contractor being placed into administration, Joondalup Library and Civic Centre Lifts \$308,321, Coastal Toilets Sewer Upgrades \$165,372 and Timberlane Park Hall \$299,525 which will all be carried forward to the next financial year.
- f) This includes favourable timing variances for Marmion Avenue / Edinburgh Pedestrian Crossing \$126,251 due to the re-scoping of works as a result of a petition and Oceanside Promenade \$254,284, which are both carried forward to 2016-17, partly offset by an unfavourable variance of (\$41,332) for Venturi Drive Median Treatment which is complete over budget.
- g) Favourable timing variances arose for Ocean Reef Road / Joondalup Drive Intersection Upgrade \$752,048 and Ocean Reef Road Dualling \$404,393. Whitfords Avenue Dualling – Northshore Drive to Belrose Entrance is complete with a favourable variance of \$323,969 due to tenders coming in under budget estimates.
- h) A favourable timing variance arose for Joondalup City Centre \$1,381,038 which is a multiyear project funded from reserve. Other favourable variances include Chichester Park Floodlight Upgrade \$317,712 and Ocean Reef Park Floodlight Upgrade \$253,160. These projects are complete under budget and final grant funding acquittals will be prepared in 2016-17 on receipt of outstanding supplier invoices.
- i) Projects identified to be carried forward for completion in 2016-17 include Walkability - Collier Pass \$64,899 which is progressing behind forecasts, Strathyre Drive \$25,809 and Methuen Way \$29,711, which have been delayed due to petitions, and Sunset Coast Trail Signage \$16,697 which has been delayed due to complex wayfinding designs
- j) This variance is mainly due to Robertson Road Cycleway \$145,366 which is a two year project progressing behind budget estimates.
- k) Favourable timing variances arose for Oceanside Promenade \$353,213 which is a multiple year project and Whitfords Avenue / Dampier Avenue Intersection \$14,832 is awaiting Main Road WA approval for the traffic signal designs and will be completed in the next financial year. Favourable variance also arose for Joondalup Drive / Shenton Avenue lighting upgrade \$132,871 which is complete and awaiting final invoices and Grand Boulevard / Hodges Drive / Joondalup Drive Intersection \$70,879 which is complete under budget due to Main Roads non approval of enhanced road markings and signage.

**18. Vehicle and Plant Replacements**

This favourable variance includes \$670,000 for Fleet and Plant Purchases which are to be carried forward to the next financial year and net savings of \$101,134 on Fleet and Plant items purchased this financial year. These are partly offset by an unfavourable variance of (\$55,102) for a vehicle which was transferred to the City for use by the SES Wanneroo / Joondalup, the cost of which is offset by a capital contribution (refer note 15).

**19. Loan Repayment Principal**

This favourable variance comprises \$82,162 due to the later than estimated drawdown of the loan to partly fund the Bramston Park Facility and \$34,044 in respect of the SES Facility Extension loan which has been deferred to the next financial year..

**20. Proceeds from Disposal**

An unfavourable timing variance of (\$3,733,162) arose for surplus land holdings which are forecast to be sold later than budget estimates, offset by a favourable variance of \$64,572 from the disposal of Fleet and Plant assets.

**21. Loans – New Borrowings**

Delays in the SES Winton Road Facility Extension project has resulted in the borrowings now being scheduled to be drawn in the 2016-17 financial year.

**22. Transfers from Trust and Transfers from / to Reserve**

The transfers from Trust and the transfers from and to Reserves are in progress to be finalised as part of the end of year financial statements preparation.

**23. Closing Funds**

	<b>June 2015</b>	<b>June 2016</b>
<b>Current Assets</b>		
Cash Assets	\$88,083,406	\$86,410,817
Rates and Sundry Debtors	\$3,199,209	\$2,447,395
GST Receivable	\$1,280,332	\$1,280,097
Accrued Income	\$1,123,565	\$1,340,149
Advances and Prepayments	\$507,864	\$391,921
	<b>\$94,194,376</b>	<b>\$91,870,379</b>
<b>Less: Current Liabilities</b>		
Creditors	(\$3,310,018)	(\$3,264,140)
Sundry Payables	(\$456,510)	(\$939,058)
Provisions - Annual Leave	(\$4,095,880)	(\$4,172,735)
Provisions - Other	(\$8,241,075)	(\$8,079,290)
Accrued Expenses	(\$7,155,658)	(\$4,833,905)
Income in Advance	(\$1,920,608)	(\$1,951,216)
Borrowings	(\$1,823,565)	(\$2,126,295)
GST Payable	(\$194,830)	(\$414,268)
	<b>(\$27,198,144)</b>	<b>(\$25,780,907)</b>
<b>Net Current Assets</b>	<b>\$66,996,232</b>	<b>\$66,089,472</b>
<b>Add: Borrowings</b>	<b>\$1,823,565</b>	<b>\$2,126,295</b>
<b>Less: Cash Backed Reserves</b>	<b>(\$65,680,795)</b>	<b>(\$65,680,795)</b>
<b>Closing Funds – Surplus/(Deficit)</b>	<b>\$3,139,002</b>	<b>\$2,534,972</b>