

**City of Joondalup
Revised Budget Rate Setting Statement 2022/23**

Note	Dec YTD Amended Budget	Dec YTD Actual	Variance YTD \$	Amended Budget	Revised Budget	Variance to Budget		
						\$	Variance %	
OPERATING REVENUE								
General Rates	1	(104,599,384)	(104,702,507)	103,123	(104,599,384)	(104,755,668)	156,284	0%
Specified Area Rates		(727,440)	(728,226)	786	(727,440)	(730,291)	2,851	0%
Grants and Subsidies	2	(844,586)	(958,183)	113,597	(1,606,172)	(2,038,336)	432,164	27%
Contributions and Reimbursements		(817,121)	(850,812)	33,691	(1,428,862)	(1,450,988)	22,127	2%
Profit on Asset Disposals	3	(5,535)	(66,582)	61,047	(1,436,831)	(117,783)	(1,319,048)	(92%)
Fees and Charges	4	(33,010,101)	(32,734,548)	(275,553)	(42,474,492)	(41,391,038)	(1,083,453)	(3%)
Interest Earnings	5	(697,996)	(2,823,955)	2,125,959	(1,252,345)	(5,714,076)	4,461,732	100%
Other Revenue/Income	6	(181,000)	(1,138,853)	957,853	(362,000)	(1,139,290)	777,290	100%
Total Operating Revenue		(140,883,163)	(144,003,666)	3,120,503	(153,887,525)	(157,337,472)	3,449,947	2%
OPERATING EXPENSES								
Employee Costs	7	35,107,455	33,676,178	1,431,277	68,399,625	68,419,553	(19,928)	(0%)
Materials and Contracts	8	26,706,077	23,704,450	3,001,627	56,458,391	56,157,718	300,673	1%
Utilities (gas, electricity, water etc.)	9	2,942,142	2,651,972	290,170	5,949,026	5,890,995	58,031	1%
Depreciation of Non-Current Assets	10	16,049,758	15,320,641	729,117	32,132,620	30,623,048	1,509,572	5%
Loss on Asset Disposals	11	47,148	29,081	18,067	94,759	137,379	(42,620)	(45%)
Interest Expenses	12	155,685	133,837	21,848	327,150	259,161	67,989	21%
Insurance Expenses	13	1,654,556	1,587,103	67,453	1,666,704	1,603,165	63,539	4%
Total Operating Expenses		82,662,821	77,103,262	5,559,559	165,028,275	163,091,020	1,937,256	1%
(SURPLUS)/DEFICIT FROM OPERATIONS		(58,220,342)	(66,900,404)	8,680,062	11,140,750	5,753,548	5,387,203	48%
NON-CASH MOVEMENTS								
Depreciation on Assets		(16,049,758)	(15,320,641)	(729,117)	(32,132,620)	(30,623,048)	(1,509,572)	(5%)
Loss on Disposals		(47,148)	(29,081)	(18,067)	(94,759)	(137,379)	42,620	45%
Profit on Disposals		5,535	66,582	(61,047)	1,436,831	117,783	1,319,048	100%
Other Non-Current Items		(50,000)	(49,774)	(226)	(100,000)	(100,000)	-	0%
OPERATIONS' CASH (SURPLUS)/DEFICIT		(74,361,713)	(82,233,318)	7,871,605	(19,749,798)	(24,989,096)	5,239,299	27%
CAPITAL REVENUE								
Capital Grants and Subsidies	14	(3,871,985)	(7,531,062)	3,659,077	(12,046,776)	(10,983,164)	(1,063,612)	(9%)
Capital Contributions	15	(30,444)	(11,184)	(19,260)	(2,120,066)	(96,590)	(2,023,476)	(95%)
Equity Distribution - TPRC	16	(1,333,333)	(1,666,666)	333,333	(1,333,333)	(3,333,333)	2,000,000	150%
Other non-operating revenue	17	-	(188,477)	188,477	-	(188,477)	188,477	100%
Total Capital Revenue		(5,235,762)	(9,397,389)	4,161,627	(15,500,175)	(14,601,564)	(898,611)	(6%)
CAPITAL EXPENDITURE								
Capital Projects	18	1,015,814	634,644	381,170	2,327,883	2,924,716	(596,833)	(26%)
Capital Works	19	18,290,858	17,694,910	595,948	57,874,005	45,623,370	12,250,635	21%
Motor Vehicle Replacements	20	873,165	654,292	218,873	3,305,165	2,314,443	990,722	30%
Total Capital Expenditure		20,179,837	18,983,846	1,195,991	63,507,053	50,862,528	12,644,524	20%
CAPITAL (SURPLUS)/DEFICIT		14,944,075	9,586,457	5,357,618	48,006,878	36,260,964	11,745,913	24%
TOTAL OPERATING (SURPLUS)/DEFICIT		(59,417,638)	(72,646,861)	13,229,223	28,257,080	11,271,868	16,985,212	60%
FUNDING								
Proceeds from Disposals	21	(104,000)	(253,815)	149,815	(1,916,500)	(520,955)	(1,395,545)	(73%)
Surplus Carried Forward	22	(53,549)	(9,148,338)	9,094,789	(53,549)	(9,148,338)	9,094,789	100%
Loans		-	-	-	-	-	-	0%
Loans-Repayment of Principal		451,528	451,528	-	909,513	909,513	-	0%
Payments of principal portion of lease liab	23	-	-	-	388,066	492,769	(104,703)	-
Transfer from Trust Fund		-	-	-	(115,172)	(115,172)	-	0%
Transfer from Reserves	24	-	-	-	(43,972,701)	(33,626,268)	(10,346,433)	(24%)
Transfer to Reserves	25	-	-	-	16,587,121	20,834,482	(4,247,361)	(26%)
Transfer to Accumulated Surplus		-	-	-	-	-	-	0%
CLOSING FUNDS		(59,123,659)	(81,597,486)	22,473,827	83,858	(9,902,101)	9,985,959	100%

**NOTES TO AND FORMING PART OF THE REVISED BUDGET
STATEMENT FOR THE 2022-23 FINANCIAL YEAR**

NOTES TO AND FORMING PART OF THE REVISED 2022-23 BUDGET STATEMENT
1. Rates

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Decrease) / Increase
\$104,599,384	\$104,755,668	\$156,284

This increase arises from additional interim rates of \$154,925.

2. Grants and Subsidies

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Decrease) / Increase
\$1,606,172	\$2,038,336	\$432,164

The net increase in Grants and Subsidies arose from additional General Purpose Grant \$389,865 and Federal Road (FLRG) Grant \$125,216 as the final allocation from the Grants Commission exceeds the budget estimate. This was partially offset by a reduction in the Fire Mitigation grant (\$125,500) that was received in the previous financial year.

3. Profit on Asset Disposals

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Decrease) / Increase
\$1,436,831	\$117,783	(\$1,319,048)

The decrease in the Profit on Asset Disposals arose from the decision to delay the sale of Blackwattle Parade Padbury (\$1,334,559) pending further due diligence.

4. Fees and Charges

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Decrease) / Increase
\$42,474,492	\$41,391,038	(\$1,083,453)

The net decrease in Fees and Charges is made up of the following major variations:

Decrease	
a) Parking Fees	(608,103)
b) Refuse Charges	(338,467)
c) Other Fees and Charges	(110,114)
d) Fines and Penalties	(103,136)
e) Building and Development Fees	(76,828)

Other (75,787)

Increase

f) Sports and Recreation Fees 228,982
(\$1,083,453)

- a) Lower than estimated patronage and therefore revenue from Off Street Parking Fees (\$454,747) and On Street Parking Fees (\$204,785), partly offset by higher than estimate revenue from Multi Storey Car Park Parking Fee \$100,000.
- b) Lower than estimated revenue from Waste Refuse Service Charge (\$313,920) arising from revised estimates additional waste bins, including additional waste services.
- c) This decrease is due to a decrease in Fines Enforcement Registry Charges (\$120,000) due to fewer infringements.
- d) This decrease is due to a decrease in Parking Infringements (\$120,000) due to fewer infringements.
- e) Lower than estimated revenue from Development Application Fees (\$50,000).
- f) Higher than estimated revenue arose from Craigie Leisure Centre included membership fees \$281,719, partially offset by Admission Fee (\$50,560). Other variances were spread over several areas.

5. Interest Earnings

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Decrease) / Increase
\$1,252,345	\$5,714,076	\$4,461,732

This favourable variance arose from increase in Interest from Other Financial Institutions \$4,489,306 due to recent movements in the Reserve Bank cash rate, and the estimated increased revenue arising from the current investment portfolio.

6. Other Revenue/Income

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Decrease) / Increase
\$362,000	\$1,139,290	\$777,290

This favourable variance arose from Net Revenue from TPRC Catalina Estate Sales \$671,193. In addition, insurance rebates received \$88,825.

7. Employee Costs

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Increase) / Decrease
\$68,399,625	\$68,419,553	(\$19,928)

The net increase in Employee Costs is made up of the following major variations:

Decreases

- a) Salaries and Wages (1,070,519)

Increases

- | | |
|---|-----------------|
| b) Other Employment Costs | 457,424 |
| c) Salaries and Wages-Casuals | 318,906 |
| d) Agency Employees | 221,755 |
| e) Employee Cost Allocations and Recovery | 92,362 |
| | <u>\$19,928</u> |

- a) This net decrease arose for Salaries and Wages in various areas due to the cumulative impact of vacant positions in various parts of the organisation and reflects the challenges of the current employment market.
- b) This increase is due primarily to a provision for additional Fringe Benefit Tax \$351,541 following the change in tax legislation pertaining to Car Parking Fringe Benefits, due to provision of staff car parking at the Administration Building. In addition Staff training \$60,580 is partly funded from unspent funds carried forward from the previous financial year in respect of training events that could not be undertaken.
- c) This increase is due primarily to the recent enterprise agreement for casuals at the Leisure Centre, in addition to provision of casuals as cover for vacant positions while recruitment progresses.
- d) This increase is due primarily to the increased use of Agency Employees to cover vacant positions while recruitment progresses.
- e) Standard Labour Recoveries for Capital Works decreased by \$93,985.

8. Materials and Contracts

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Increase) / Decrease
\$56,458,391	\$56,157,718	\$300,673

The net decrease in Materials and Contracts is made up of the following major variations:

Decreases

a) Waste Management Services	(1,117,750)
b) External Services Expenses	(338,543)
c) Contributions & Donations	(174,086)
d) Administration	(102,515)
e) Accommodation and Property	(100,748)
Other	(45,764)

Increases

f) Furniture, Equipment and Artworks	419,539
g) Other Materials	311,856
h) Computing	267,408
i) Travel, Vehicle and Plant	141,503
j) Professional Fees and Costs	337,068
k) Finance Related Costs	<u>101,361</u>
	\$300,673

- a) Processing for the Recycling and Government Levy decreased by (\$1,243,054) and Tipping Fees General Waste reduced by (\$614,651) due to estimated gate fees being lower than anticipated. This was partially offset by an increase in Collection Bulk Hard Waste \$288,707, Processing Bulk Hard Waste \$154,005, Collection General Waste \$153,868, and Collection Domestic Green Waste \$68,835.
- b) The decrease arose in relation to External Contractors (\$344,246) with decreases relating to the Core System replacement (\$730,000), which includes a budget reclassification of \$530,000 to Employee Costs (reflecting the internal costs of the project), and City projects in relation to Heathridge Master Plan (\$230,000) which has been reclassified to capital projects. This was partially offset by an increase in Buildings \$404,275, Roads \$212,398, Craigie leisure centre \$131,342 and Natural areas \$69,440.
- c) Contributions and donations decreased due to Sponsorship (\$217,500) with the funds for a significant event transferred to Donations. This was partially offset by an increase in Donations \$195,484 due to the donation in relation to the Perth Festival partnership and Lord Mayor Distress Relief Fund-Kimberley Floods Appeal. In addition an increase to Community Funding (\$85,957) with funds carried forward from 2021-22.
- d) Decreases arose due to a decrease in Printing (\$40,318). The balances of the variances are spread across several areas.
- e) The decrease in Accommodation & Property was attributed to Council Rates (\$74,788) for Tamala Park with credits received from 2021-22.
- f) Furniture, Equipment and Artworks increased due to Computer and Communications Minor Equipment Purchases \$122,128 for Network Services, Hire of Equipment \$104,613 including Valentine's Day Concert \$61,500, Plant & Equipment Purchase Maintenance and Repair \$84,167 mainly Community Safety and Furniture & Office Equipment Purchase – Minor \$54,907
- g) The increase in Material Purchases-Contract \$189,912 related to Parks. In addition, Materials Building Minor Works rose \$130,000 due to unspent funds carried forward from 2021-22.

- h) The net increase was mainly due to \$150,000 for new Mapping Software for the new Core System Replacement.
- i) The increase in Travel, Vehicle and Plant was attributed to Fuel \$140,000.
- j) Professional Fees arose from increases mainly in respect of legal expenses \$140,397 and Consultancy \$332,998 which includes \$200,000 consultancy in respect of the Local Housing Strategy Review as well as Research \$31,005 and Audit Fees \$13,600, which are partially offset by a decrease in Legal Expenses Recoverable (\$109,691) and Lodgement Fees (\$100,000).
- k) The increases arose from additional credit card merchant fees \$60,957 primarily in relation to Craigie Leisure Centre and parking, due to higher volume of debit/credit card customer usage compared to estimates, as well as additional costs \$14,223 in respect of Australia Post charges to collect rates paid by customers at Australia Post outlets.

9. Utilities

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Increase) / Decrease
\$5,949,026	\$5,890,995	\$58,031

This mainly arises from a net decrease in electricity costs of \$66,313 predominantly in relation to buildings based on current estimates of usage and charges.

10. Depreciation

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Increase) / Decrease
\$32,132,620	\$30,623,048	\$1,509,572

Depreciation variances mainly arises from lower estimated depreciation on Drainage assets \$1,563,947 following an upward revision in useful life estimates made as part of the revaluation of the asset class at the end of the previous financial year. The balance of the variance is spread across several asset classes.

11. Loss on Asset Disposals

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Increase) / Decrease
\$94,759	\$137,379	(\$42,620)

This arose due to an estimated increase in expected loss on disposal of fleet and plant assets.

12. Interest Expense

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Increase) / Decrease
\$327,150	\$259,161	\$67,989

This net decrease is mainly due to lower than estimated interest on lease liability \$67,989 following recalculation of right-of-use assets and liabilities at 30 June 2022.

13. Insurance Expenses

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Increase) / Decrease
\$1,666,704	\$1,603,165	\$63,539

This net decrease resulted in due to lower than expected insurance expenses \$63,539 due to lower than estimated Public Liability premiums \$53,106.

14. Capital Grants and Subsidies

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Decrease) / Increase
\$12,046,776	\$10,983,164	(\$1,063,612)

The net decrease in capital grants and subsidies is made up of the following major variations:

Increases

a) Commonwealth Grants – Capital - Roads to Recovery	160,396
b) Other Grants and Subsidies - Capital Other	127,532
Other	58,514

Decreases

c) State Government Grants-Capital - MRRG Grant Roads	(764,415)
d) State Government Grants-Capital Other	(589,429)
e) Commonwealth Grants and Subsidies - Capital Black Spot	(56,210)
	<u>(\$1,063,612)</u>

a) This increase arose from Road to Recovery grants based on actuals received from 2021-22.

b) This increase arose from Local Roads and Community Infrastructure adjustments based on actuals received from 2021-22.

- c) This decrease in grant funding relates primarily to W4206 Joondalup Dr/Hodges Dr (\$1,530,170) which is now expected to be received in the next financial year. In addition, RDC2025 Whitfords Ave/Gibson \$390,094 and RDC2026 Whitfords Ave/Kingsley \$217,171 due to the expenditure in the current financial year and the final 20% grant claims are expected to be received in the next financial year.
- d) This decrease arose from FPN2299 Coastal Shared Path (\$285,000) and LTM2177 Grand Boulevard Bus Lanes (\$230,000) with delays in the projects. In addition, a reduction occurred in relation to the concept design for RDC2030 Moolanda Boulevard Pedestrian Footbridge (\$100,000) which is now being undertaken by Main Roads rather than the City. This was partially offset by an increase on BCW2650 Sorrento Football Club \$100,000.
- e) The decrease was due to a reduction in income for SBS2091 Marmion Ave and Coral (\$71,409) with this now expected to be received in 2023-24.

15. Capital Contributions

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Decrease) / Increase
\$2,120,066	\$96,590	(\$2,023,476)

This decrease relates mainly to MPP2082 Ocean Reef Marina (\$1,750,000) which is expected to arise only in future years. Other changes relate to PDP2350 Sorrento Bowling Synthetic Turf (\$154,622) which has been delayed until 2023-24. In addition, in respect of the Insurance reimbursement for the Iluka Sports Complex (\$48,010) expenditure was lower than estimated and resulting insurance claim is consequently lower.

16. Equity Distribution TPRC

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Decrease) / Increase
\$1,333,333	\$3,333,333	\$2,000,000

The increased amount is based on updated TPRC estimates of distributions in 2022-23. These funds are placed in the Tamala Park Land Sales reserve.

17. Other non-operating revenue

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Decrease) / Increase
\$-	\$188,477	\$188,477

This arose from unbudgeted GST refunds \$188,477 received from the ATO in respect of TPRC land sales undertaken.

18. Capital Projects

Amended Budget 2022-23	Revised Budget 2022-23	Variance Increase / (Decrease)
\$2,327,883	\$2,924,716	(\$596,833)

The net increase in Capital Projects is made up of the following major variations:

Increases

a) CCTV Leisure Centre	(200,000)
b) Customer Service Centralisation	(152,665)
c) Upgrade of Audio and Visual Technology Conference Room	(139,370)
Other	<u>(104,798)</u>
	<u>\$596,833</u>

- a) Following a recent security assessment by an independent security consultant a CCTV upgrade will be undertaken in line with the completion of the Craigie Leisure Centre refurbishment.
- b) This is a multiyear project continuing from the previous year.
- c) Project funded from unspent funds of \$110,000 carried forward from 2021-22.

19. Capital Works

Amended Budget 2022-23	Revised Budget 2022-23	Variance Increase / (Decrease)
\$57,874,005	\$45,623,370	(\$12,250,635)

The net decrease in capital works of \$12,350,635 is made up of the following variations:

Decreases

a) Major Projects Program (MPP)	(6,172,860)
b) Major Road Construction Program (RDC)	(2,161,007)
c) New Paths (FPN)	(1,568,837)
d) Local Traffic Management (LTM)	(1,054,162)
e) Blackspot Projects (SBS)	(758,143)
f) Parks Development Program (PDP)	(596,827)
g) Parking Facilities Program (PFP)	(420,939)
h) Parks Equipment Program (PEP)	(93,730)

i) Streetlighting Program (STL)	(78,840)
j) Streetscape Enhancement Program (SSE)	(60,550)

Increases

k) Major Building Capital Works Program (BCW)	270,389
l) Road Preservation/Resurfacing Program (RPR)	306,870
m) Slab Path Replacement (FPR)	108,000
Stormwater Drainage Program (SWD)	<u>30,000</u>
	<u>(\$12,250,635)</u>

- a) Major Projects program is experiencing a reduction at Mid-Year Review due to funds not expected to be expended and to be re-budgeted in the 2023-24 year including MPP2082 OR Marina Club & Commercial Development (\$3,500,000), MPP2076 Sorrento SLSC Redevelopment (\$804,000), MPP2080 Burns Beach Coastal Nodes (\$482,000) and MPP2077 Cafes/Kiosks/Restaurants Burns Beach (\$450,000). Other favourable variances relate to MPP2006 Café and Kiosk - Pinnaroo Point (\$563,000) which is expected to commence construction only in June 2023, MPP2074 Multi-Storey Car Park (\$300,000) which has been withdrawn and MPP2058 W3529 Chichester Park Clubroom (\$602,897) due to tender pricing estimates. These are partially offset by the additional funds required for MPP2050 W3326 Craigie Leisure Centre \$529,035 due to contract variations.
- b) Decreases in Major Road Construction Program arose due to RDC2027 Joondalup Dr/Hodges Dr (\$2,568,720) now expected to progress in 2023-24. In addition, RDC2030 Moolanda Boulevard has decreased by (\$100,000) due to Main Roads undertaking the design of the new bridge. A decrease also incurred on RDC2020 Warwick Road / Erindale Road Intersection (\$114,682). This has been partially offset by increases to RDC2025 Whitfords Ave/Gibson \$415,000 and RDC2026 Whitfords Ave/ Kingsley \$266,800 which have received additional grant funding that is expected to be expended by the end of the year.
- c) New Paths Program decrease relates to FPN2299 Hillarys Cycle Network Expansion construction that is now estimated to commence in 23-24 causing a favourable variance of (\$1,400,000); other favourable variance relates to FPN2240 Burns Beach to Mindarie Dual-Use Path (\$148,837) based on the revegetation works required this financial year.
- d) LTM2153 Boas Ave (\$576,264) and LTM2177 Grand Boulevard (\$245,000) have both been withdrawn and will be relisted in the future in conjunction with the Public Transport Authority's work program. Other major variances include LTM2166 Gwendoline Dr (\$235,915) which is being delayed due to Western Power and will be relisted for 2023-24.
- e) Blackspot Projects has been reduced at Mid-Year Review due to delays with Western Power including SBS2093 Ocean Reef Rd and Gwendoline Dr (\$495,575), SBS2092 Marmion Ave and Forrest (\$150,000). In addition, SBS2091 Marmion Ave and Coral (\$100,000) with construction to be completed in 2023-24
- f) PDP2282 Dog Exercise Park is being withdrawn causing a (\$246,384) favourable variance and will be relisted in future Capital Works Program, along with PDP2350 Sorrento Bowling Synthetic Turf (\$350,000) and PDP2360 Cliff Park Landscaping (\$115,000) which are both being delayed until 2023-24.

- g) Decrease included PFP2066 Pinnaroo Point Parking Improvements (\$381,572) which is being progressed into 2023-24, PFP2099 Poseidon Primary (\$100,000) has been withdrawn as the school has completed the project. These offset an increase to PFP2084 Prince Regent Park \$110,000 arising from increased pricing and scope.
- h) Additional funds are required for PEP2853 BMX Track Upgrades \$170,000, PEP2635 Wentworth Park Play space \$34,694 and PEP2804 Melene Park \$30,000 due to current market pricing. Projects which are being delayed until 2023-24 include PDP2787 Basketball Pad Replacement (\$47,675), PEP2625 Glenmere Park Play space (\$40,000), PEP2763 Kanangra Park Play space (\$103,383), PEP2796 Gerda Park Play space (\$74,400), PEP2801 Cliff Park Play space Renewal (\$74,400) and PEP2854 Basketball Pad Installation (\$45,000).
- i) This decrease arose due to STL2090 MacDonald Park (\$70,000) and STL2003 Joondalup City Centre (\$30,000) which will be relisted in 2023-24. This is offset by additional budget required for STL2112 Blue Mountain Drive \$25,000.
- j) Streetscape Program favourable variance relates to SSE2058 Whitfords Ave (\$259,203) which was withdrawn due to tender pricing and SSE2059 Joondalup Dr (\$120,000) which will now progress in 2023-24. Unfavourable variances have occurred on SSE2057 Leafy City \$88,363 and SSE2056 City Centre Streetscape \$230,290 that are required to complete the 2022-23 project scope.
- k) Unfavourable variance relates mainly to BCW2666 Craigie LC Geothermal Bore \$449,060 due to tender pricing being higher than estimated. Other unfavourable variances relate to BCW2540 Auto Door \$126,000 due to additional LRCI Phase 3 grant income and BCW2650 Sorrento Football \$166,204 due to \$100,000 additional income and corresponding works required to complete the project. An unfavourable variance also occurred on BCW2020 Building Component Renewal Program \$80,000. These are offset by a reduction in BCW2620 Civic Centre Slab \$400,000 due to timing as well as small reductions in BCW2625 Ocean Reef Park Toilets (\$50,000), BCW2672 Iluka Sports Complex (\$48,010) and BCW2450 Environmental Initiatives (\$30,000).
- l) Two additional projects have been added at Mid-Year Review, due to receiving MRRG grant funding RPR3375 Grand Blvd \$135,336 and RPR3376 Lakeside Drive \$102,396, covering two-thirds of the estimated project costs. Other major changes include additional funds required to complete the projects for RPR3323 Virgilia Street \$145,000, RPR3304 Whitfords (EB) - Barridale to Moolanda \$105,000 and RPR3285 Mawson/Shackleton Roundabout \$160,000. These are offset by RPR3139 Gwendoline Drive \$197,000 which is being delayed until 2023-24 to align with the related LTM project, RPR3245 Newtown Grove (\$33,167), RPR3254 Tarata Court (\$31,331), RPR3255 Mandara Court (\$33,690), RPR3257 Sillmon Way (\$56,482) and RPR3303 Whitfords (EB) - Trappers to Barridale (\$20,000) which are due to be completed under budget.
- m) This unfavourable variance relates to FPR2253 Kennedy Drive \$43,000, FPR2283 Joondalup Dr - Treetop top Wedgewood \$95,000, FPR2293 Connolly Dr \$115,000 and FPR2294 Joondalup Drive - Clarke to Collier \$80,000 due to current market pricing which is offset by FPR2268 Marmion Ave - Edinburgh to Burns Beach (\$190,000) that is expected to be completed below budget

20. Motor Vehicle Replacements

Amended Budget 2022-23	Revised Budget 2022-23	Variance (Increase) / Decrease
\$3,305,165	\$2,314,443	\$990,722

This decrease arose from expected delays in delivery times on one bus \$260,000, four Isuzu trucks \$635,000, two mini loaders \$230,000, a tractor \$110,000. This is partially offset by an additional Isuzu truck (\$176,800).

21. Proceeds from Disposals

Amended Budget 2022-23	Revised Budget 2022-23	Variance Increase / (Decrease)
\$1,916,500	\$520,955	(\$1,395,545)

The decrease arises mainly from to the sale of Blackwattle Parade Padbury (\$1,425,000) being deferred due to due diligence currently being undertaken. A report is scheduled to be presented to Major Projects and Finance in the coming months.

22. Surplus Carried Forward

Amended Budget 2022-23	Revised Budget 2022-23	Variance Increase / (Decrease)
\$53,549	\$9,148,338	9,094,789

The revised budget has brought to account the actual surplus carried forward from the previous financial year as reported in the 2021-22 annual financial report (Council Minutes 7 February 2023 JSC05-02/23 refers).

23. Payments of principal portion of lease liabilities

Amended Budget 2022-23	Revised Budget 2022-23	Variance Increase / (Decrease)
\$388,066	\$492,769	\$104,703

The increase is due to recalculation of lease principal payments following the finalisation of the 2021-22 year-end figures, mainly from the lease on the land at the Works Operation Centre.

24. Transfer from Reserves

Amended Budget 2022-23	Revised Budget 2022-23	Variance Increase / (Decrease)
\$43,972,701	\$33,622,268	(\$10,46,433)

The decrease in transfer from reserves is made up of the following variations:

Decreases

a) Strategic Asset	(4,360,557)
b) Capital Works Carried Forward	(2,944,858)
c) Asset Renewal	(3,037,403)
Other	<u>(3,615)</u>
	<u>(\$10,346,433)</u>

- a) This decrease represents reduced transfers arising from lower expenditure estimated in the current year over several Strategic Asset projects, including the OR Marina Club and Commercial Development \$1,750,000, Chichester Park Clubroom Redevelopment \$802,897, Sorrento Surf Life Saving Club Redevelopment \$804,000 and Burns Cafes/Kiosks/Restaurants and Coastal Node Redevelopment \$932,000.
- b) Available unspent funding for various projects at the end of the previous financial year was lower than estimated earlier, resulting in the reduced transfer from the reserve in the revised budget.
- c) This decrease represents lower estimated expenditure over several Asset Renewal Reserve-funded projects, including Hillarys Cycle Network Expansion \$1,115,000 and Civic Centre Slab Waterproofing \$400,000.

25. Transfer to Reserves

Amended Budget 2022-23	Revised Budget 2022-23	Variance Increase / (Decrease)
\$16,587,121	\$20,834,482	\$4,247,361

The increase in transfer to reserves is made up of the following variations:

Increases

a) Interest on reserves	2,192,505
b) Tamala Park Land Sales Reserve	2,000,000
c) Waste Management Reserve	764,663

Decreases

d) Parking Facility Reserve	(497,819)
e) Asset Renewal Reserve	(211,988)
	\$ 4,247,361

- a) The increase represents higher than estimated interest earnings due to increased interest rates and average volumes invested.
- b) This increase is due to higher than estimated equity distributions expected from Tamala Park Regional Council by the end of 2022-23.

- c) The increase in the transfer to the reserve represents a higher than anticipated operating surplus from waste management services.
- d) The decrease in the transfer to the reserve represents a lower anticipated operating surplus from parking operations due to reduced revenue.
- e) The decrease in the transfer arose in relation to the fleet replacement program.