

**City of Joondalup
Revised Budget Rate Setting Statement 2015/16**

	Note	Dec YTD Budget	Dec YTD Actual	Variance YTD \$	Adopted Budget	Revised Budget	Variance \$	Variance %
OPERATING REVENUE								
General Rates	1	(91,505,076)	(91,876,462)	(371,386)	(91,535,076)	(91,920,072)	(384,996)	(0%)
Specified Area Rates		(408,157)	(414,317)	(6,160)	(408,157)	(413,411)	(5,254)	(1%)
Grants and Subsidies	2	(1,914,791)	(1,101,994)	812,797	(4,230,505)	(2,085,431)	2,145,074	51%
Contributions and Reimbursements	3	(449,138)	(1,376,697)	(927,559)	(908,197)	(1,864,975)	(956,778)	(105%)
Profit on Asset Disposals	4	(1,038,528)	(1,954,851)	(916,323)	(1,041,807)	(1,983,981)	(942,174)	(90%)
Fees and Charges	5	(30,864,168)	(30,731,121)	133,047	(39,556,828)	(39,364,021)	192,807	0%
Interest Earnings	6	(2,157,635)	(2,478,845)	(321,210)	(3,486,332)	(4,042,506)	(556,174)	(16%)
Other Revenue/Income	7	(94,000)	(331,574)	(237,574)	(160,000)	(350,250)	(190,250)	(119%)
Total Operating Revenue		(128,431,493)	(130,265,861)	(1,834,368)	(141,326,902)	(142,024,647)	(697,745)	(0%)
OPERATING EXPENSES								
Employee Costs	8	30,961,203	31,720,683	759,480	59,888,303	60,483,211	594,908	1%
Materials and Contracts	9	25,507,197	23,222,183	(2,285,014)	52,959,486	52,084,611	(874,875)	(2%)
Utilities (gas, electricity, water etc.)	10	3,131,481	2,967,122	(164,359)	6,276,093	6,218,830	(57,263)	(1%)
Depreciation of Non-Current Assets	11	13,675,718	14,824,825	1,149,107	27,123,831	29,531,594	2,407,763	9%
Loss on Asset Disposals	12	1,381,462	57,671	(1,323,791)	1,560,531	474,202	(1,086,329)	(70%)
Interest Expenses		342,381	295,369	(47,012)	667,100	672,797	5,697	1%
Insurance Expenses	13	1,621,105	1,527,338	(93,767)	1,623,138	1,519,769	(103,369)	(6%)
Total Operating Expenses		76,620,547	74,615,191	(2,005,356)	150,098,482	150,985,014	886,532	1%
(SURPLUS)/DEFICIT FROM OPERATIONS		(51,810,947)	(55,650,670)	(3,839,724)	8,771,580	8,960,367	188,787	2%
NON-CASH MOVEMENTS								
Depreciation on Assets		(13,675,718)	(14,824,825)	(1,149,107)	(27,123,831)	(29,531,594)	(2,407,763)	(9%)
Loss on Disposals		(1,381,462)	(57,671)	1,323,791	(1,560,531)	(474,202)	1,086,329	70%
Profit on Disposals		1,038,528	1,954,851	916,323	1,041,807	1,983,981	942,174	90%
Other Non-Current Items	14	(125,000)	108,715	233,715	(125,000)	100,000	225,000	(180%)
OPERATIONS' CASH (SURPLUS)/DEFICIT		(65,954,599)	(68,469,600)	(2,515,002)	(18,995,975)	(18,961,448)	34,527	(0%)
CAPITAL REVENUE								
Capital Grants and Subsidies		(4,152,531)	(4,180,032)	(27,501)	(12,797,452)	(12,846,999)	(49,547)	(0%)
Capital Contributions	15	-	(300,569)	(300,569)	(912,046)	(701,870)	210,176	23%
Equity Distribution - TPRC		-	-	-	(3,333,333)	(3,333,333)	-	0%
Acquired Infrastructure Assets		-	-	-	-	-	-	0%
Total Capital Revenue		(4,152,531)	(4,480,601)	(328,070)	(17,042,831)	(16,882,202)	160,629	1%
CAPITAL EXPENDITURE								
Capital Projects	16	4,099,456	2,462,881	(1,636,575)	7,199,800	8,163,048	963,248	13%
Capital Works	17	16,081,060	17,983,416	1,902,356	39,739,288	43,620,847	3,881,559	10%
Motor Vehicle Replacements	18	582,000	819,152	237,152	2,066,000	2,850,661	784,661	38%
Loan Repayment Principal	19	1,066,793	901,171	(165,622)	2,191,223	1,940,221	(251,002)	(11%)
Equity Investments		-	-	-	44,683	44,683	-	0%
Total Capital Expenditure		21,829,309	22,166,620	337,311	51,240,994	56,619,460	5,378,467	10%
CAPITAL (SURPLUS)/DEFICIT		17,676,778	17,686,019	9,241	34,198,163	39,737,258	5,539,096	16%
TOTAL OPERATING (SURPLUS)/DEFICIT		(48,277,821)	(50,783,581)	(2,505,761)	15,202,188	20,775,810	5,573,622	37%
FUNDING								
Proceeds from Disposals	20	(5,206,375)	(2,136,821)	3,069,554	(5,490,375)	(6,133,188)	(642,813)	11.7%
Surplus Carried Forward	21	(989,665)	-3,139,002.00	(2,149,337)	(989,665)	(3,139,002)	(2,149,337)	217.2%
Loans		(1,769,000)	-	1,769,000	(2,498,000)	(2,498,000)	-	0.0%
Transfer from Trust Fund	22	-	-	-	-	(339,048)	(339,048)	(100.0%)
Transfer from Reserves	23	-	-	-	(18,243,437)	(24,788,728)	(6,545,291)	35.9%
Transfer to Reserves	24	-	-	-	12,019,289	13,633,683	1,614,394	13.4%
Transfer to Accumulated Surplus		-	-	-	-	-	-	0.0%
CLOSING FUNDS		(56,242,861)	(56,059,404)	183,456	0	(2,488,473)	(2,488,473)	

**NOTES TO AND FORMING PART OF THE REVISED
BUDGET STATEMENT FOR THE 2015-16 FINANCIAL
YEAR**

NOTES TO AND FORMING PART OF THE REVISED 2015-16 BUDGET STATEMENT

1. General Rates

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$91,535,076	\$91,920,072	\$384,996

Additional rates arising from interim valuations received after the budget was finalised and estimated rates on new developments are higher than originally estimated.

2. Grants and Subsidies

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$4,230,505	\$2,085,431	(\$2,145,074)

The net decrease in Grants and Subsidies is made up of the following major variations:

Increases

a) Currambine Youth Space	25,629
Other	2,000

Decreases

b) General Purpose Grant	(1,885,112)
c) Financial Counselling	(158,885)
d) Waste Management	(105,000)
e) Department of Fire and Emergency Services	(23,706)
	<u>(\$2,145,074)</u>

a) The City received an unbudgeted grant of \$25,629 for Currambine Youth Space in respect of expenditure which occurred in the prior year.

b) The City received (\$1,741,111) of the General Purpose Grant for 2015-16 in advance in the 2014-15 financial year. In addition, the City's final grant allocation is (\$144,001) lower than estimated in the original budget.

c) This decrease is due to the closure of the Financial Counselling service.

d) The anticipated grant for the Better Bins Project of (\$115,000) will not be received due to grant conditions proving to be more onerous than previously assessed. This is partly offset by an unbudgeted grant of \$10,000 from Keep Australia Beautiful for the trial of recycling bins in public places.

e) This decrease is mainly due to the first quarterly payment of the DFES 2015-16 grant of (\$22,036) being received in advance in the previous financial year.

3. Contributions, Reimbursements and Donations

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$908,197	\$1,864,975	\$956,778

The increase in contributions and reimbursements is made up of the following:

Increases

a) Miscellaneous Reimbursements	892,641
b) Insurance Reimbursements	41,757
c) Legal Fees Recoverable	15,409
d) Other Contributions, Reimbursements and Donations	6,971
	<u>\$956,778</u>

- a) The net increase in Miscellaneous Reimbursements is spread across a number of areas. This includes a Residual Carbon Price refund of \$740,969 which was received from Mindarie Regional Council, a GST refund of \$79,050 on Tamala Park Regional Council land sales in prior years and \$24,758 for 2014-15 rates for the Tamala Park Waste Disposal site as a result of the revaluation of the land. Additional increases include \$32,262 for verge tree maintenance and \$20,000 to cover costs associated with the Department of the Environment Green Army program.
- b) This increase is predominantly due to an Insurance Reimbursement of \$27,824 for the Warwick Community Centre.
- c) The increase in Legal Fees Recoverable reflects legal costs arising from action to recover outstanding rates. This corresponds to increased associated expenditure arising from such legal action, (Refer 9.a below).
- d) The net increase in Other Contributions, Reimbursements and Donations comprises various minor amounts and is spread across a number of areas.

4. Profit on Asset Disposals

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$1,041,807	\$1,983,981	\$942,174

This increase is due mainly to the City of Joondalup's share in the gains on the disposal of developed residential land by Tamala Park Regional Council (TPRC) \$652,202 which was not part of the original budget and higher than estimated profit of \$287,425 on the disposal of City of Joondalup surplus land holdings.

5. Fees and Charges

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$39,556,828	\$39,364,021	(\$192,807)

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

Increases

a) Cash In Lieu of Parking	156,000
b) Learn to Swim Program	136,594
c) Parking Infringements	115,104
d) Property Rental and Outgoings	77,801
e) Fines Enforcement Registry Fees	39,084

Decreases

f) Refuse Charges	(284,267)
g) Membership Fees	(146,333)
h) Multi Storey Car Park (MSCP) Parking Fees	(75,390)
i) Term Program Activities	(55,624)
j) Admission Fee	(54,396)
k) Other Building and Development Charges	(50,000)
l) On Street Parking Fees	(25,878)
m) Other Fees and Charges	(25,502)
	<u>(\$192,807)</u>

- a) This increase is in respect of Hobson Gate Commercial Precinct, Currambine arising from funds received in lieu of providing car parking. This total is transferred to the Cash In Lieu of Parking Reserve.
- b) The increase is due to higher than anticipated enrolments in the Learn To Swim Program.
- c) The number of Parking Infringements issued is higher than estimated.
- d) Rental income based on current lease agreements is anticipated to be higher than original budget estimates.
- e) The increase in the number of parking infringements issued, as noted earlier, and an unbudgeted increase in Fines Enforcement charges has resulted in higher revenue than originally budgeted.
- f) The number of Refuse Charges was over estimated in the original budget.
- g) This decrease is predominantly due to a change in the membership fees payment cycle that will have a once off reduction in 2015-16.

- h) The MSCP opened later than anticipated resulting in a reduction in estimated parking fee revenue in this financial year.
- i) This decrease is a result of a fewer enrolments for leisure short courses than originally estimated.
- j) The forecast Admission Fee revenue at the Leisure Centres has reduced by (\$43,220) due to lower casual attendances across a number of areas including Group Fitness and the Fitness Centre. In addition, Admission Fee revenue for attendance at other community activities is now forecast to be (\$11,175) lower than original estimates.
- k) This is due to lower building and development activity than previously estimated.
- l) This decrease is due to lower than estimated On Street Parking Fee revenue near the Joondalup Train Station as a result of the continued provision of free commuter parking within Lakeside Joondalup Shopping Centre which was expected to cease from July 2015.
- m) Other variations are spread across various business areas and are not individually material.

6. Interest Earnings

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$3,486,332	\$4,042,506	\$556,174

This increase includes \$615,468 in interest earnings on investments mainly due to a higher volume of investment funds held as a result of timing differences in the outflow of funds compared to the original budget. This is partly offset by lower estimated interest on Rates Instalment options of (\$59,556).

7. Other Revenue/Income

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$160,000	\$350,250	\$190,250

Rebates from the Local Government Insurance Scheme are \$204,862 higher than the original budget and the estimated Discount for the early settlement of supplier invoices has increased by \$4,725. These are partly offset by a reduction of (\$22,000) in the City's share of advertising revenue from Adshel bus shelters.

8. Employee Costs

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$59,888,303	\$60,483,211	\$594,908

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

Increases

a) Salaries and Wages (New Community Patrol Service)	590,383
Other	4,525
	<u>594,908</u>

- a) This increase arises from staffing for the newly constituted Community Patrol service following the cessation of the previous City Watch contract service. These costs are funded by a corresponding reduction in budgeted funds for external contracts arising from this change (Refer 9f).

9. Materials and Contracts

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$52,959,486	\$52,084,611	(\$874,875)

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

Increases

a) Professional Fees and Charges	320,314
b) Other Materials	112,919
c) Telephones & Communications	80,099
d) Furniture and Equipment	53,568
e) Other	48,414

Decreases

f) External Service Expenses	(836,598)
g) Contributions and Donations	(349,992)
h) Administration	(93,198)
i) Waste Management Services	(111,983)
j) Charges and Recoveries	<u>(98,418)</u>
	<u>(874,875)</u>

- a) This includes increases for Consultancy \$137,504 which is funded by carry forward from the previous financial year, Research \$105,000 predominantly for international

investment attraction, Legal Expenses Recoverable \$33,221, Audit Fees \$11,000 and Valuation Fees \$9,875.

- b) This is mainly driven by Materials for minor building alterations \$91,176 which is funded by carry forward from the previous financial year and Materials Purchases used by contractors \$18,951.
- c) The Australia Post price changes effective from 1 January 2016 has resulted in an estimated increase in Postage costs of \$47,988. In addition, Mobile Device costs are \$29,468 higher than originally budgeted mainly due to new devices for City Rangers \$15,400, which is funded by the cessation of City Watch, and Operations staff \$11,350.
- d) This increase mainly arose for Computer and Communications Equipment purchases \$50,004, which includes a screen upgrade for the conference room and equipment for the new City Rangers \$16,167, which is funded by the cessation of City Watch, the balance being spread across a number of areas.
- e) This variance includes increases for Public Relations, Advertising and Promotions \$56,737, Accommodation and Property \$20,535 and Members Costs \$19,973. These are partly offset by a decrease in Travel, Vehicle and Plant costs (\$44,678).
- f) External Contractor Services are (\$764,131) lower than originally estimated. This includes a net (\$851,630) as a result of the City Watch service ceasing which has been used to fund costs associated with the new City Rangers service, and (\$63,189) due to the MSCP opening later than originally forecast. These are partly offset by increases in external contractor costs for minor building alterations \$95,755 and Community Connect Sport and Recreation Program \$40,000 which are both funded by carry forward from the previous financial year. The balance of the variance includes a decrease for Tipping Fees (\$89,500) offset by increases for Programme Activities \$11,130 and Consumable Chemicals \$9,327.
- g) This decrease includes (\$350,000) for the sponsorship of a significant event, which is being carried forward as it will not be required this financial year, and (\$90,323) for Financial Counselling Emergency Relief payments for which grant funding will no longer be received. These are partly offset by an increase in Grant Disbursements \$31,250, which includes \$27,103 for the Wanneroo SES unit relocation costs to be recouped in 2016-17, Donations \$19,174 and Grants and Contributions \$10,535.
- h) The primarily comprises a (\$136,847) reduction to Election Costs this year to represent a more even accounting treatment by spreading these costs across the financial years that fall within an election cycle. This balance of costs will be recognised in the subsequent financial year. This is partly offset by an increase of \$40,000 for Video Production and Photography costs associated with the development of the International Activity Strategy.
- i) Bulk Waste volumes are 5% lower than predicted resulting in a (\$121,275) decrease in collection costs.

- j) Higher than anticipated use of City labour and plant resources on capital works has resulted in higher Capital Overhead Recoveries of (\$68,915) and Fleet and Plant recoveries of (\$29,507).

10. Utilities

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$6,276,093	\$6,218,830	(\$57,263)

This comprises a net decrease in electricity costs of (\$60,017) that includes a saving of (\$34,000) due to the later than anticipated opening of the MSCP with the balance spread across the City's buildings based on current usage and charges.

11. Depreciation of Non-Current Assets

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$27,123,831	\$29,531,594	\$2,407,763

This increase includes depreciation on Infrastructure Assets of \$2,083,852 which is primarily due to higher depreciation charges as a result of assets revalued at 30 June 2015. In addition depreciation for Property, Plant and Equipment assets is \$323,911 higher than originally estimated as newly acquired and constructed assets were added to the depreciation schedule after the original budget was approved.

12. Loss on Asset Disposals

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$1,560,531	\$474,202	(\$1,086,329)

The estimated Loss on the Disposal of surplus land holdings is (\$1,171,329) lower than originally estimated. This is partly offset by an increase of \$85,000 on the loss on the disposal of fleet and plant assets.

13. Insurance Expenses

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$1,623,138	\$1,519,769	(\$103,369)

Insurance Premiums are lower than estimated for Motor Vehicles (\$49,664), Industrial Special Risk (\$45,524), Public Liability (\$24,697) and Other Insurances (\$9,255). These are partly offset by higher Insurance Excess payments of \$25,771.

14. Other Non-Current Items

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
(\$125,000)	\$100,000	\$225,000

This is a result of the movement in the non-current long service leave liability being \$225,000 lower than estimated. This is mainly due to the change of entitlements from non-current to current based on age and is offset by an increase in the current long service leave liability.

15. Capital Contributions

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$912,046	\$701,870	(\$210,176)

The net decrease in Capital Contributions is made up of the following major variations:

Increases

a) Proof of Concept – Tom Simpson Park	73,755
b) Parking Facilities	16,569
c) Sorrento Football Club Floodlighting Upgrade	50,000

Decrease

d) Major Projects	(350,500)
	<u>(210,176)</u>

- a) A Smart City Infrastructure Proof of Concept project at Tom Simpson Park is to be undertaken in partnership with Telstra; the increase represents Telstra's 50% contribution to the project.
- b) The construction cost of parking improvements at St Marks Drive is higher than estimated giving rise to an increase of \$16,569 in the contribution from St Marks Anglican Community School towards this cost.
- c) A contribution is to be received from Sorrento Football Club towards the floodlighting upgrade at Percy Doyle Reserve.
- d) The contribution of (\$350,000) for the Mullaloo Surf Life Saving Club refurbishment will not be received as the project will now be undertaken by the club itself.

16. Capital Projects

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$7,199,800	\$8,163,048	\$963,248

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

Increases

a) Mullaloo Surf Life Saving Club (MSLSC) Refurbishment	450,000
b) Proof of Concept – Tom Simpson Park	147,510
c) Land Purchases	150,758
d) Public Art	61,922
e) Asset Management System Implementation	40,000
f) Information Technology Projects	115,476
g) Microfiche Reader	20,000

Decreases

h) CCTV Equipment	(22,000)
Other	<u>(418)</u>
	<u>963,248</u>

- a) This project was originally budgeted as part of the Capital Works program however the project will now be undertaken by the MSLSC with a contribution paid by the City (Refer 17b).
- b) A Smart City Infrastructure Proof of Concept project at Tom Simpson Park is to be undertaken in partnership with Telstra for which a contribution of 50% will be received from Telstra.
- c) This increase includes \$62,758 for the purchase of Western Power lots adjacent to existing parking facilities that was originally included in the Capital Works budget as part of the Multi Storey Car Park project, as well as \$88,000 for the acquisition of 12 Blackwattle Parade, Padbury.
- d) This increase arose as a result of undertaking project works delayed from the previous financial year. The additional cost is funded from the Public Art Reserve out of funds retained.
- e) The increase in expenditure on this project is offset by savings in operational expenditure.
- f) This increase arose for Information Technology Projects \$82,796 which were not complete in the prior financial year and are funded from carry forward funds, as well as \$32,680 in respect of mobile devices for pool inspections and related software and hardware.
- g) The additional funding is to replace the existing Microfiche Reader that has reached the end of its life.
- h) This project has been completed below budget.

17. Capital Works

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$39,739,288	\$43,620,847	\$3,881,559

The net increase in capital works is made up of the following variations:

Increases

a) Path Replacement	731,762
b) Major Projects	662,524
c) Lighting	783,114
d) Road Preservation and Resurfacing	532,247
e) Building Construction Works	417,952
f) New Paths	266,017
g) Major Road Construction	96,249
h) Parking Facilities	75,090
i) Parks Development	72,000
j) Foreshore and Natural Areas	57,797
k) Parks Equipment	199,345
l) Stormwater Drainage	45,434
m) Streetscape Enhancement	40,000
Other	15,001

Decreases

n) Local Road Traffic Management	(112,973)
	<u>3,881,559</u>

- a) This increase includes \$760,000 for an additional project for Robertson Cycleway Bike and Pedestrian Paths of which \$600,000 is grant funded. This is partly offset by net savings against budget estimates of (\$28,238) across a number of projects.
- b) The net increase is driven by rises in estimated expenditure funded by carry forwards or reserve funds held over from the prior financial year including the Multi Storey Car Park \$1,981,869, Parking Facility adjacent to Marmion Angling and Aquatic Club \$182,565 and Synthetic Hockey Pitch project \$130,292 as well as the Sorrento Beach Enclosure project \$470,000 that corresponds to an anticipated \$300,000 grant. Offsetting these are reductions in the Mullaloo Surf Life Saving Club (\$1,700,000) following a fundamental change in the project model and has been moved to Capital Projects (Refer 16a), as well as Bramston Park (\$126,252) and Ocean Reef Boat Jetties (\$275,951) as a result of higher than anticipated expenditure incurred in the previous financial year.
- c) This includes \$500,000 for Joondalup City Centre Street Lighting that is funded from the Strategic Asset Management Reserve, \$52,668 for projects rolled over from the prior financial year that are funded by monies carried forward and \$147,000 for an additional project to upgrade the floodlighting at Percy Doyle reserve which is partly funded by a contribution from the Sorrento Football Club. In addition, net expenditure increased by \$83,446 across a number of projects including increases for Arterial and Urban Road lighting \$56,045, Caledonia Park Public Access Way

\$50,808 partly offset by a decrease for Hilton Park Laneway (\$19,765). This increase in expenditure is funded by a transfer of \$87,363 from the Cash In Lieu of Public Open Space funds held in Trust.

- d) This increase is driven mainly by higher than estimated Roads to Recovery funding \$767,726 and Federal Local Road Grant funding \$47,985 partly offset by lower Direct Road Grant funding of (\$40,200). These are partly offset by a decrease of (\$243,263) in the Municipal funded portion of the program.
- e) This variance is mainly driven by expenditure to complete the Deep Sewer connections of City Buildings \$253,756 of which \$186,868 was brought forward from 2014-15 and Timberlane Park Hall Upgrade \$109,376 of which \$24,376 was brought forward from 2014-15 and \$85,000 is funded from reserve. An additional \$60,000 arose for the Kingsley Memorial Clubrooms as a result of an increase in the scope of works.
- f) This increase is due to additional works for the New Bus Shelter Installation Program \$40,000, Walkability Sunset Coast Trail Access \$50,000 and Walkability Collier Pass Pedestrian Improvements \$20,000 partly offset by savings against budget estimates of (\$16,527) across a number of projects. Additional increases arose for Walkability Plan Projects \$33,171 and Walkability Sunset Coast Trail Signage \$59,372 which were carried forward from 2014-15 and are funded from carry forward and grants, as well as \$80,000 for new footpath projects in Greenwood and Craigie.
- g) This increase is due to the actual carry forward from 2014-15 and consequent expenditure being higher than estimated in the original budget.
- h) Higher costs are anticipated for Whitfords Nodes South Car Park \$80,000 and parking improvements on St Marks Drive \$33,205 of which \$16,569 is funded by an increase in contribution from St Marks Anglican Community School. These are partly offset by a decrease of (\$38,115) for Elcar Lane parking improvements which has been completed below original budget estimates.
- i) Increases in expenditure for James Cook Park \$50,000, Tom Simpson Park \$22,000 and Water Tower Park \$15,000 are partly offset by decreases for Whitfords Nodes (\$10,000) and Whitfords Park East (\$5,000) irrigation upgrades. Monies held in Trust fund the increase at Water Tower Park.
- j) This increase is due to the Wetlands Renewal Program which is a carry forward project from 2014-15.
- k) Additional projects have been added for the installation of six drinking fountains at various parks \$85,000, Disc Golf course upgrade and construction projects \$36,294 and other park equipment \$26,600. Increases also arose for Shepherds Bush Park equipment and connecting path network \$54,000, Windermere Park shelter replacement \$20,000 and Hawker Park \$15,000, Cricket Infrastructure Renewal \$9,443 and Coastal Foreshore Beach Showers \$5,000, which are offset by decreases for Otago Park (\$27,153), Ridge Park (\$15,000) and Albacore Park (\$9,031). This program has received approval to use \$154,553 Cash in Lieu of Public Open Space funds held in trust to partly fund the increase.

- l) This variance is driven by expenditure variations to original estimates on a number of projects including increases for Stormwater Drainage Upgrade \$50,000 and Edna Way \$15,092 partly offset by decreases for Barlee Place (\$9,603) and Goose Road (\$7,249).
- m) This increase arose for Streetscape Renewal \$20,000 and Arterial Roads Upgrade \$20,000 programs.
- n) Decreases arose for Northshore Drive Pedestrian Crossing (\$95,000) as the work was undertaken as part of the Road Construction Program, Hepburn Avenue Wig Wag Crossing (\$25,000) which was completed in the prior financial year and (\$122,973) for projects completed below budget estimates including Roche Road and Wandoo Road. These are partly offset by increases for Venturi Drive \$100,000 as a result of a change in the scope of works and additional Minor Road Safety Improvements requests \$30,000.

18. Motor Vehicle Replacements

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$2,066,000	\$2,850,661	\$784,661

This increase includes \$737,000 for Fleet and Plant items that are funded from carry forward from the previous financial year and \$173,532 for Community Patrol Vehicles which are funded out of the now ceased City Watch contract. These are partly offset by a net decrease of (\$125,871) as a result of variations in cost and specifications when compared to the original budget estimate.

19. Loan Repayment Principal

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$2,191,223	\$1,940,221	(\$251,002)

The decrease is due to the proposed loan for the Bramston Park Facility proposed to be drawn down later than originally estimated.

20. Proceeds from Disposals

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$5,490,375	\$6,133,188	\$642,813

The estimated proceeds from the disposal of surplus land holdings and fleet assets have increased by \$482,813 and \$160,000 respectively.

21. Surplus Carried Forward

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$989,665	\$3,139,002	\$2,149,337

The revised budget brought to account the actual surplus carried forward from the previous financial year as reported in the 2014-15 annual financial report (refer Minutes of Meeting of Council 23 November 2015 CJ203-11/15).

22. Transfer from Trust Fund

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
-	\$339,048	\$339,048

This increase is due to current 2015-16 municipal funded projects receiving Ministerial approval to be funded by Public Open Space monies held in Trust.

Increases

Water Tower Park Irrigation Upgrade	67,132
Windermere Park Playground Equipment	110,000
Albacore Park Playground Equipment	43,364
Mirror Park Skate Facility Information Signage	1,189
Caledonia Park Public Access Way Lighting	30,808
Ocean Reef Park Floodlighting Upgrade	<u>86,555</u>
	<u>339,048</u>

23. Transfer from Reserves

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$18,243,437	\$24,788,728	\$6,545,291

The increase in transfer from reserves of \$6,545,291 is made up of the following variations:

Increases

a) Capital Works Carried Forward	4,064,617
b) Strategic Asset Management Reserve	585,000
c) Public Art Reserve	61,922
d) Non-Current Long Service Leave Liability Reserve	100,000

e) Parking Facility Reserve

2,040,988

Decreases

f) Ocean Reef Marina Reserve

(307,236)

6,545,291

- a) Funds for uncompleted Capital Works, Capital Projects, Fleet, Other Projects and the advance payment of the 2015-16 Financial Assistance Grant carried forward at the end of the previous financial year exceeded the budget estimate by \$4,064,617 resulting in the additional transfer from the reserve in the revised budget.
- b) The increase in the transfer from this reserve is due to funding for Joondalup City Centre Lighting \$500,000 and Timberlane Park Hall Upgrade \$85,000 which were originally intended to be funded in 2014-15.
- c) This increase arose as a result of lower expenditure in the previous financial year.
- d) This is mainly due to the change of Long Service Leave entitlements from non-current to current based on age and is offset by an increase in the current long service leave liability.
- e) Expenditure incurred on the Multi Story Car Park (MSCP) project originally budgeted in the prior financial year resulted in a net increase in the transfer from the reserve of \$1,981,869.
- f) Additional expenditure incurred on the Ocean Reef Marina project in the previous financial year resulted in a lower reserve transfers than previously estimated in the budget.

24. Transfer to Reserves

Adopted Budget 2015-16	Revised Budget 2015-16	Variance Increase / (Decrease)
\$12,019,289	\$13,633,683	\$1,614,394

The increase in transfer to reserves of \$1,614,394 is made up of the following variations:

Increases

a) Capital Works Carried Forward	325,000
b) Waste Management Reserve	379,469
c) Cash in Lieu of Parking Reserve	156,000
d) Vehicle, Plant and Equipment Reserve	112,339
e) Joondalup Performing Arts and Cultural Facility Reserve	482,813
f) Parking Facility Reserve	115,722
g) Interest Earned on Reserve Funds	168,051

Decreases

h) Non-Current Long Service Leave Liability Reserve

(125,000)

1,614,394

- a) This increase is in respect of a portion of the Mullaloo Surf Life Saving Club contribution \$225,000 deferred to the next financial year and Significant Event \$100,000 which will not occur this financial year.
- b) This represents an increase in the estimated net surplus from Waste Management Operations.
- c) This represents funds received in lieu of car parking facilities provided which will be utilised to fund future car parking requirements.
- d) This is predominantly due to an increase in the estimated sales proceeds from fleet disposals of \$160,000 in addition to net savings of \$125,871 as a result of variations in cost and specifications when compared to the original budget estimate partly offset by the purchase of Community Patrol Vehicles (\$173,532).
- e) This represents an increase in the estimated net proceeds from the disposal of surplus land holdings held by the City.
- f) The increase in the transfer to the reserve represents a higher anticipated operating surplus from parking operations.
- g) Interest earned on reserve funds is higher than originally estimated as a result of higher average reserve balances due to the timing of cash flows.
- h) This is mainly due to the change of Long Service Leave entitlements from non-current to current based on age and is offset by an increase in the current long service leave liability.