



City of  
Joondalup

# City of Joondalup

Financial Activity Statement for the  
Period Ended 31 December 2016

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	Notes	Adopted Budget	Amended Budget CJ220-12/16	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>							
Rates	1	(94,774,221)	(94,774,221)	(94,684,221)	(94,764,984)	80,763	0%
Specified Area Rates		(498,521)	(498,521)	(498,521)	(502,432)	3,911	1%
Grants and Subsidies		(3,982,230)	(3,982,230)	(1,979,286)	(1,962,681)	(16,605)	(1)%
Contributions Reimbursements and Donations		(835,508)	(835,508)	(446,487)	(441,071)	(5,416)	(1)%
Profit on Asset Disposals	2	(1,445,737)	(1,445,737)	(825,737)	(890,889)	65,152	8%
Fees and Charges	3	(39,449,489)	(39,449,489)	(30,539,010)	(30,803,523)	264,513	1%
Interest Earnings	4	(3,095,742)	(3,095,742)	(1,940,506)	(2,414,552)	474,046	24%
Other Revenue/Income	5	(162,100)	(162,100)	(92,250)	(86,212)	(6,038)	(7)%
<b>Total Operating Revenue</b>		<b>(144,243,548)</b>	<b>(144,243,548)</b>	<b>(131,006,017)</b>	<b>(131,866,344)</b>	<b>860,327</b>	<b>1%</b>
<b>OPERATING EXPENSES</b>							
Employee Costs	6	63,641,713	63,641,713	32,982,422	31,740,901	1,241,521	4%
Materials and Contracts	7	51,463,531	53,713,531	25,181,160	21,879,505	3,301,655	13%
Utilities (gas, electricity, water etc.)	8	6,026,467	6,026,467	2,994,395	2,562,070	432,325	14%
Depreciation & Amortisation of Non-Current Assets	9	29,488,636	29,488,636	14,867,229	15,208,114	(340,885)	(2)%
Loss on Asset Disposals	10	538,327	538,327	473,258	47,478	425,780	90%
Interest Expenses	11	619,754	619,754	275,413	310,029	(34,616)	(13)%
Insurance Expenses		1,558,487	1,558,487	1,557,287	1,525,468	31,819	2%
<b>Total Operating Expenses</b>		<b>153,336,915</b>	<b>155,586,915</b>	<b>78,331,165</b>	<b>73,273,565</b>	<b>5,057,600</b>	<b>6%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>9,093,367</b>	<b>11,343,367</b>	<b>(52,674,853)</b>	<b>(58,592,779)</b>	<b>5,917,926</b>	<b>11%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>							
Depreciation & Amortisation of Non Current Assets		(29,488,636)	(29,488,636)	(14,867,229)	(15,208,114)	340,885	2%
Loss on Asset Disposal		(538,327)	(538,327)	(473,258)	(47,478)	(425,780)	(90)%
Profit on Asset Disposals		1,445,737	1,445,737	825,737	890,889	(65,152)	(8)%
Other Non-Current items							
Movement in Non-current Items	12	100,000	100,000	100,000	(129,719)	229,719	(230)%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(19,387,859)</b>	<b>(17,137,859)</b>	<b>(67,089,603)</b>	<b>(73,087,201)</b>	<b>5,997,599</b>	<b>9%</b>
<b>NON-OPERATING REVENUE</b>							
Capital Grants and Subsidies	13	(13,280,097)	(13,280,097)	(5,987,591)	(5,497,500)	(490,091)	(8)%
Capital Contributions	14	(862,273)	(862,273)	(217,546)	(414,416)	196,870	90%
Equity Distribution - TPRC	15	(1,833,333)	(1,833,333)	(916,667)	(833,334)	(83,333)	(9)%
<b>Total Non-Operating Revenue</b>		<b>(15,975,703)</b>	<b>(15,975,703)</b>	<b>(7,121,804)</b>	<b>(6,745,250)</b>	<b>(376,554)</b>	<b>(5)%</b>
<b>CAPITAL EXPENDITURE</b>							
Capital Projects	16	15,271,101	15,271,101	8,451,017	1,893,448	6,557,569	78%
Capital Works	17	41,304,158	41,304,158	15,742,811	18,587,479	(2,844,668)	(18)%
Vehicle and Plant Replacements	18	2,440,600	2,440,600	1,841,600	801,237	1,040,363	56%
Loan Repayment Principal	19	2,262,910	2,262,910	1,119,503	1,051,949	67,554	6%
Equity Investments		47,443	47,443	-	-	-	-
<b>Total Capital Expenditure</b>		<b>61,326,212</b>	<b>61,326,212</b>	<b>27,154,931</b>	<b>22,334,113</b>	<b>4,820,818</b>	<b>18%</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>45,350,509</b>	<b>45,350,509</b>	<b>20,033,127</b>	<b>15,588,863</b>	<b>4,444,264</b>	<b>22%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>25,962,650</b>	<b>28,212,650</b>	<b>(47,056,475)</b>	<b>(57,498,338)</b>	<b>10,441,862</b>	<b>22%</b>
<b>FUNDING</b>							
Proceeds from Disposal	20	(7,769,454)	(7,769,454)	(6,406,804)	(2,162,984)	(4,243,820)	(66)%
Loans - New Borrowings		(4,545,423)	(4,545,423)	-	-	-	-
Transfer from Trust		(95,000)	(95,000)	-	-	-	-
Transfer from Reserve		(25,881,451)	(28,131,452)	-	-	-	-
Transfer to Reserve		12,979,610	12,979,610	-	-	-	-
Transfer to Accumulated Surplus		-	-	-	-	-	-
Transfer from Accumulated Surplus		-	-	-	-	-	-
Opening Funds	21	(650,932)	(650,932)	(650,932)	(3,083,830)	2,432,898	374%
<b>CLOSING FUNDS</b>	22	<b>-</b>	<b>-</b>	<b>(54,114,211)</b>	<b>(62,745,152)</b>	<b>8,630,940</b>	<b>16%</b>

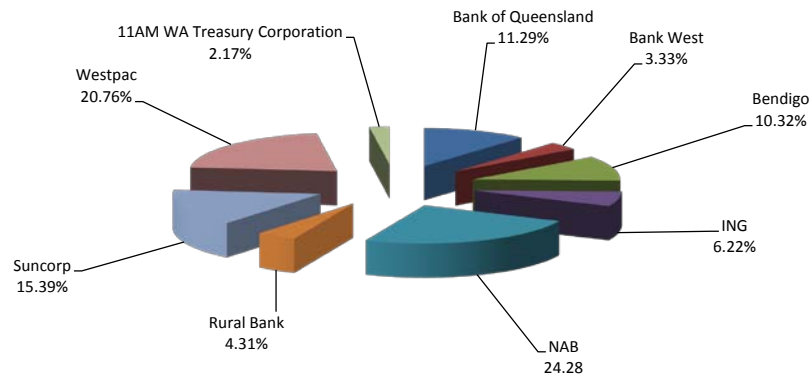


## Investment Summary

**CITY OF JOONDALUP**  
December-16

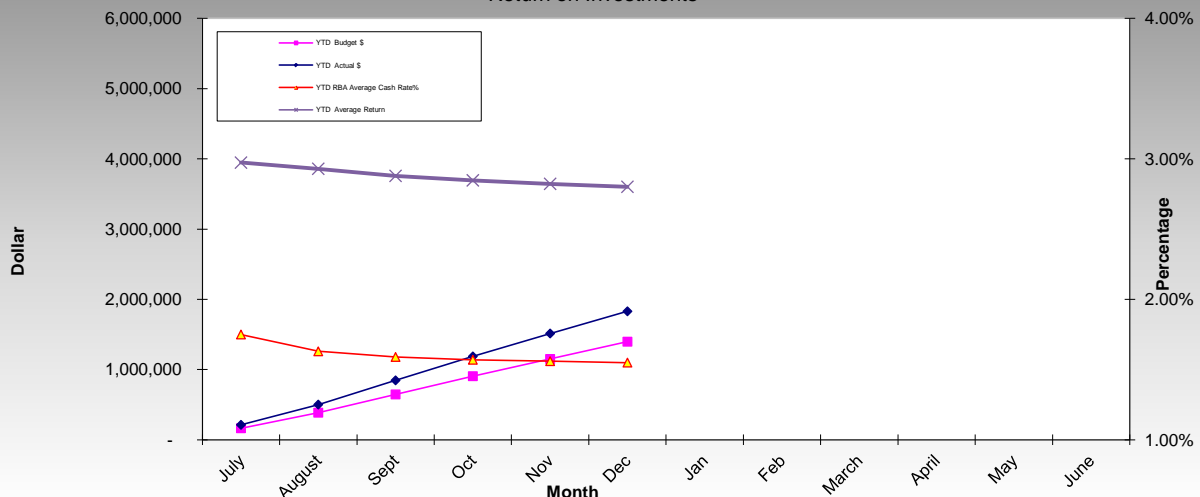
Credit Rating		Investment Account		MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
Long Term	Short Term							
A-	A-2	Bank of Queensland	Term Deposit	2.77%	2.87%	\$ 15,250,000	11.29%	10%
AA-	A-1+	Bank West	Term Deposit	2.55%	2.65%	\$ 4,500,000	3.33%	25%
A-	A-2	Bendigo	Term Deposit	2.66%	2.69%	\$ 13,940,000	10.32%	10%
A-	A-2	ING	Term Deposit	2.82%	2.87%	\$ 8,400,000	6.22%	10%
AA-	A-1+	NAB	Term Deposit	2.73%	2.81%	\$ 32,810,000	24.28%	25%
A-	A-2	Rural Bank	Term Deposit	2.70%	2.95%	\$ 5,830,000	4.31%	10%
A+	A-1	Suncorp	Term Deposit	2.67%	2.76%	\$ 20,800,000	15.39%	15%
AA-	A-1+	Westpac	Term Deposit	2.84%	2.91%	\$ 28,050,000	20.76%	25%
AA+	A-1+	11AM WA Treasury Corporation		1.45%	1.49%	\$ 2,931,000	2.17%	25%
<b>Total Investment Portfolio</b>				<b>2.71%</b>	<b>2.80%</b>	<b>135,111,000</b>	<b>100.00%</b>	
<b>Municipal Funds</b>						<b>74,727,893</b>		
<b>Reserve Funds</b>						<b>60,383,107</b>		
						<b>135,111,000</b>		
Overall Portfolio Limits		Value\$	% Current	% Limit				
Long Term	Short Term							
AA	A-1+	70,891,000	52.5%	100%				
A	A-1	20,800,000	15.4%	50%				
A	A-2	43,420,000	32.1%	40%				

### City of Joondalup - Investment Balances



Month	Budget \$	MTD Actual \$	YTD Budget \$	YTD Actual \$	YTD RBA Average Cash Rate%	YTD Average Return
July	165,089	213,767	165,089	213,767	1.75%	2.97%
August	221,606	288,260	386,694	502,027	1.63%	2.93%
Sept	259,833	344,942	646,528	846,969	1.59%	2.88%
Oct	259,726	340,943	906,254	1,187,912	1.57%	2.85%
Nov	244,822	326,210	1,151,076	1,514,122	1.56%	2.82%
Dec	246,480	315,700	1,397,556	1,829,823	1.55%	2.80%

### Return on Investments



**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR  
THE PERIOD ENDED 31 DECEMBER 2016**

**1. Rates**

Interim Rate revenue issued to date is higher than budget estimates due to additional income from residential and commercial properties.

**2. Profit on Asset Disposals**

This favourable variance includes gains of \$872,549 on the disposal of Tamala Park Regional Council (TPRC) land parcels, which were not included in the budget, and \$17,672 for Fleet and Plant disposals. These are partly offset by an unfavourable variance of (\$824,978) due to the timing of the disposal of surplus land holdings.

**3. Fees and Charges**

	YTD Budget	YTD Actual	Variance
a) Refuse Charges	\$20,226,484	\$20,327,317	\$100,833
b) Licences and Registrations	\$554,030	\$600,971	\$46,941
c) Hire and Rentals	\$447,837	\$581,330	\$133,493
d) Fines & Penalties	\$747,430	\$804,511	\$57,081
e) Parking Fees	\$1,338,709	\$1,296,867	(\$41,842)
Other Fees and Charges Variances	\$7,224,520	\$7,192,527	(\$31,993)
	<u>\$30,539,010</u>	<u>\$30,803,523</u>	<u>\$264,513</u>

- a) The number of Refuse Charges levied is slightly higher than estimated in the budget giving rise to this favourable variance.
- b) This includes favourable variances for Cat Registration Fees \$22,246, Stall Fees and Licences \$12,504, and Trading in Public Space Licences \$9,038.
- c) Favourable income variances arose for Property Rental \$135,154 predominantly due to leases which had not been finalised when the budget was prepared.
- d) This includes favourable variances for Parking Infringements \$54,219 and Suburban Parking \$41,740 partly offset by an unfavourable variance for Local Government Costs and Fines (\$28,863).
- e) Parking Fees revenue is lower than estimated in the budget giving rise to this unfavourable variance.

**4. Interest Earnings**

Interest earned on investments exceeded budget by \$432,378 mainly due to the volume of funds under investment being higher than estimates. In addition, Instalment and Penalty Interest on Rates and Pensioners deferred account balances exceeded budget by \$41,668.



## 5. Other Revenue

This includes unfavourable timing variance for Rebates Received (\$24,006) partly offset by favourable variances for Discounts Received \$11,076 and the City's share of Adshel advertising revenue \$3,266.

## 6. Employee Costs

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$30,590,357	\$29,332,986	\$1,257,371
b) Other Employment Costs	\$2,392,065	\$2,407,915	(\$15,850)
	<u>\$32,982,422</u>	<u>\$31,740,901</u>	<u>\$1,241,521</u>

a) The variance in Salaries and Wages is predominantly due to budgeted salary increases from 1 July which are yet to occur, as well as vacant positions across the City.

b) This unfavourable variance for Other Employment Costs arose from Agency Employees (\$388,889) predominantly used to cover vacant positions, partly offset by favourable variances for Employee Cost Recoveries \$153,862, Staff Training \$127,516 and Employee Support Services \$49,099.

## 7. Materials and Contracts

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$11,315,428	\$9,593,782	\$1,721,646
b) Computing	\$1,130,772	\$939,919	\$190,853
c) Waste Management	\$3,586,749	\$3,099,209	\$487,540
d) Travel, Vehicles & Plant	\$898,051	\$775,847	\$122,204
e) Furniture, Equipment and Artworks	\$1,134,078	\$931,306	\$202,772
f) Public Relations, Advertising and Promotions	\$568,075	\$416,541	\$151,534
g) Contributions and Donations	\$1,252,003	\$1,174,570	\$77,433
h) Administration	\$800,972	\$629,508	\$171,464
i) Accommodation & Property	\$909,396	\$846,129	\$63,267
j) Finance Related Costs	\$300,593	\$245,975	\$54,618
k) Other Materials and Contracts	\$3,285,043	\$3,226,719	\$58,324
	<u>\$25,181,160</u>	<u>\$21,879,505</u>	<u>\$3,301,655</u>

a) External Contractors and Services expenditure is \$953,929 below budget. This includes favourable timing variances for Parks \$367,092, Landscaping and Conservation Services \$260,761, Building Maintenance \$167,675 and Engineering Maintenance \$104,142. In addition, a favourable variance arose for Bulk Tipping Fees \$706,310 due to the cessation of the bulk waste collection service in May 2016, prior to the new bulk hard waste on demand service approved in September (CJ145-09/16 refers), which commenced in October 2016. This was partially offset by an unfavourable variance for Domestic Tipping Fees (\$166,864) due to increased tonnage collections experienced during the last three months and an unfavourable timing variance for External Contractors and Services (\$90,138) due to the roll out of 360L bins (x2500) being completed in the first half of the year.

- b) A favourable timing variance arose for Computer Software Maintenance \$77,196, Computer Software Subscriptions \$36,000, Computer Software Licences \$32,820 and Data Communication Links \$29,050. The balances of the variances are spread across a number of areas.
- c) Favourable timing variances arose across Bulk Hard Waste collection and processing \$687,343, Domestic collection \$248,954, Weekend Greens \$166,052 and across Recycling collection and processing \$37,282 offset by an unfavourable timing variance for Green Waste collection and processing (\$652,091). -
- d) This includes favourable variances for Parts and Repairs \$76,907, Fuel \$62,323 and Tyres & Tubes \$8,147 partly offset by an unfavourable variance for Vehicle Licensing (\$19,434) arising from the reduction of fleet discounts and the increase in the third party insurance component of licensing fees, which arose after budget estimates were finalised. Adjustments have been made in the mid year review.
- e) Favourable timing variances arose for Computer Equipment purchases \$152,395 which predominantly relates to the renewal program, Minor Plant and Equipment purchases \$43,532 and Plant Equipment Maintenance and Repair \$19,087 partly offset by an unfavourable timing variance for Computer Equipment Maintenance and Repair (\$11,642). The balances of the variances are spread across a number of areas.
- f) The timing of various events compared to budget phasing generated this favourable variance which includes Promotions \$34,140, Catering \$28,266, Advertising \$26,170, Signage \$22,814, Entertainment and Hospitality \$17,223 and Bar Stocks \$14,894.
- g) Favourable timing variances arose for Sponsorship \$134,787 and Community Funding Program \$17,428 partly offset by unfavourable timing variances for Grant Disbursements (\$50,550) and Donations (\$26,711). The balances of the variances are spread across a number of areas.
- h) Favourable timing variances arose for External Printing \$85,417, Photography and Video Production \$17,195, Stationery \$24,244 and Other Sundry Expenses \$27,789. The balances of the variances are spread across a number of areas.
- i) Favourable timing variances arose for Rental and Outgoings \$49,879, Refuse Removal Charges \$19,062 and Council Rates \$13,758 partly offset by an unfavourable timing variance for Water Rates (\$19,154).
- j) Favourable timing variances arose for Cash Collections \$13,024 and Agency Fees \$3,414 as well as Credit Card Merchant Fees \$44,314, partly offset by an unfavourable timing variance for Bank Charges (\$7,286).
- k) This favourable variance is spread across a number of areas including Telephones and Communication \$34,554, Members Costs \$35,412, Professional Fees and Costs \$25,251 and Books and Publications \$21,099 partly offset by unfavourable variances for Other Expenditure (\$29,986) and Charges and Recoveries (\$16,087).



## 8. Utilities

Electricity costs are \$438,333 below budget. This includes favourable variances for Street Lighting \$187,965 arising from reduced consumption, Buildings \$99,555 and Parks \$123,316 arising from favourable timing variances.

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

An unfavourable variance of \$337,592 arose for Impairment/Write off. The write off arose from the demolishment of the Craigie Child Health Care centre due to the pending land sale.

## 10. Loss on Asset Disposals

Favourable timing variances arose in respect of the disposal of surplus land holdings \$336,046 and Fleet and Plant \$89,734.

## 11. Interest Expenses

The variance arises from the six monthly government guarantee fee \$47,495 being recognised during December, where budget estimates expected this cost only in the following month. This is partly offset by lower than expected interest charges owing to the SES loan not yet having been drawn down.

## 12. Non-Current Items

The movement in the year to date non-current long service leave liability is \$229,719 more than estimated for the full year. Phasing of the budget movement will be considered during the Mid Year Review.

## 13. Capital Grants and Subsidies

	YTD Budget	YTD Actual	Variance
a) Black Spot Program	\$577,533	\$412,000	(\$165,533)
b) Street Lighting Program	\$281,966	\$118,725	(\$163,241)
c) Major Road Construction Program	\$270,192	\$144,020	(\$126,172)
d) Path Replacement Program	\$600,000	\$124,000	(\$476,000)
e) New Paths Program	-	\$141,577	\$141,577
f) Building Capital Works Program	-	\$108,348	\$108,348
g) Capital Projects	\$40,000	\$183,785	\$143,785
Other	\$4,217,900	\$4,265,045	\$47,145
	<u>\$5,987,591</u>	<u>\$5,497,500</u>	<u>(\$490,091)</u>

a) Unfavourable timing variances have arisen for carry forward projects Oceanside Promenade (\$234,000) and Joondalup Drive / Shenton Avenue Lighting Upgrade (\$48,600) which are complete and awaiting final supplier invoices before final grant claims can be made. This is partly offset by a favourable timing variance of \$117,067 for State Black Spot funding received earlier than estimated in the budget.

b) Grants received are lower than budgeted for floodlighting upgrades at Chichester Park (\$47,815) and Ocean Reef Park (\$115,426) due to both projects being completed below budget estimates.



- c) The road improvement grant received for Whitfords Avenue - Northshore Drive to Belrose Entrance Dualling is (\$126,172) lower than estimated due to the project being completed under budget.
- d) This unfavourable variance is due to the final claim for stages one and two of Robertson Rd Cycleway. The project completion has been delayed and an extension to February 2017 has been approved by the Perth Bicycle Network grant funding body. Necessary adjustments will be made to phasing in the budget review.
- e) This favourable timing variance relates to grants received in 2016-17 for Hepburn Avenue Perth Bike Network Shared Path project \$123,442 and Walkability Project – Sunset Coast Trail Signage \$18,135 which were budgeted to be received in the previous financial year.
- f) The City received unbudgeted grants of \$70,000 from the Disability Services Commission to support the building of Changing Places in the Community \$19,709 from the Department of Infrastructure for upgrades to Emerald Park Community Facility and \$18,639 for the upgrade of Greenwood Scout Hall.
- g) Favourable timing variances arose from grant funding for CCTV installation at Collier Pass \$116,085 and Lighting and CCTV installation for Shenton Ave/ Lakeside Drive \$27,700 being unbudgeted grant funding.

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

The floodlighting upgrade project at Ocean Reef Park was completed below budget estimate generating an unfavourable variance of (\$69,796) in contribution revenue. This is offset by a favourable timing variance of \$181,818 for the Synthetic Hockey project and \$84,848 for the Percy Doyle Undercroft Extension project, scheduled payments for which were received earlier than estimated.

#### **15. Equity Distribution**

The dividend distribution from Tamala Park Regional Council was slightly below budget estimates.

#### **16. Capital Projects**

	YTD Budget	YTD Actual	Variance
a) Joondalup Performing Arts & Cultural Facility (JPACF) and Jinan Garden	\$5,650,002	\$265,374	\$5,384,628
b) Ocean Reef Marina	\$659,120	\$336,669	\$322,451
c) Joondalup City Centre Commercial Office Development	\$483,540	\$230,490	\$253,050
d) Better Bins Project	\$190,000	-	\$190,000
e) Information Technology Projects	\$327,000	\$7,155	\$319,845
f) Pool Refurbishment Craigie Leisure Centre	\$50,000	-	\$50,000
g) Acquisition of Land, Lot 12223, Padbury	\$88,000	-	\$88,000



Other Projects	\$1,003,355	\$1,053,760	(\$50,405)
	\$8,451,017	\$1,893,448	\$6,557,569

- a) The City is currently reviewing the Schematic Design report and Business Case for this project. The timing of expenditure will be determined by future decisions concerning this project.
- b) Expenditure of this project is anticipated to increase over the coming months.
- c) The timing of the engagement of external consultants has generated this favourable timing variance.
- d) This project was originally budgeted as a carry forward from the previous financial year however it was actually completed in the 2015-16 financial year. This will be adjusted in the budget review.
- e) This favourable variance is due to the Disaster Recovery Facilities and Network Infrastructure equipment replacement programs progressing behind budget estimates.
- f) This project was originally budgeted as a carry forward from the previous financial year however it was actually completed in the 2015-16 financial year. This will be updated in the budget review.
- g) Land acquisition postponed as per December Council Meeting. This will be updated in the budget review.

## 17. **Capital Works**

	YTD Adopted Budget	YTD Actual	Variance
a) Road Preservation/Resurfacing	\$5,049,591	\$4,289,835	\$759,756
b) Major Projects Program	\$1,526,880	\$4,333,180	(\$2,806,300)
c) Major Building Capital Works Program	\$1,767,597	\$2,204,218	(\$436,621)
d) Major Road Construction Program	\$2,366,674	\$1,455,757	\$910,917
e) Slab Path Replacement	\$960,500	\$1,180,389	(\$219,889)
f) Black Spot Projects	\$95,000	\$647,908	(\$552,908)
g) Parks Equipment Program	\$534,500	\$813,256	(\$278,756)
h) Parks Development Program	\$316,500	\$135,636	\$180,864
i) Street Lighting Program	\$1,057,153	\$1,470,758	(\$413,605)
j) Local Traffic Management	\$896,741	\$719,224	\$177,517
k) New Paths	\$89,500	\$143,725	(\$54,255)
l) Park Facilities Program	\$50,000	\$112,165	(\$62,165)
m) Foreshore Natural Areas Program	\$209,500	\$196,553	\$12,947
n) Streetscape Enhancement Program	\$612,175	\$771,070	(\$158,895)
o) Stormwater Drainage Program	\$210,500	\$113,806	\$96,694
	\$15,742,811	\$18,587,479	(\$2,844,668)

- a) A number of projects were completed under budget generating favourable variances including Aberfeldy Cres \$28,167, McKirdy Way \$29,678, and Grenville Ave – Padbury Circ to Hawkins Ave \$27,784. Additional favourable timing variances arose for the Road Preservation - Asphalt Overlay (FLRG Funds) Program \$262,820, Cracksealing & Patching Works City Wide \$51,688. Favourable timing variances

arose for a number of projects completed within December including Duncraig Rd \$32,520, Peppermint Drive \$75,929 and Oceanside Prom – Westview Blvd to Ocean Reef Rd \$208,327.

- b) This unfavourable timing variance is predominantly due to the Synthetic Hockey Project (\$3,594,814) which is progressing ahead of schedule. This is offset by a favourable variance for Sorrento Beach Enclosure \$620,134 which was completed under budget and favourable timing variances for Penistone Park - Facility Redevelopment \$106,356, Percy Doyle - Soccer Clubrooms \$37,000 and Warwick Activity Centre – Community City Facilities \$90,000 which are progressing behind budget phasing.
- c) Unfavourable timing variances arose for the Kingsley Clubrooms Refurbishment (\$174,412) and SES Winton Road (\$430,790) funded by carried forward funds from the previous 2015-2016 financial year and the Craigie Leisure Centre – Indoor Aquatic Centre Refurbishment (\$238,491) which was completed ahead of schedule. These are partly offset by favourable timing variances for Timberlane Park Hall Upgrade \$177,578, which is 100% complete awaiting final invoices from suppliers, and Coastal Toilet Sewer Upgrades \$40,277 which is complete.
- d) Favourable timing variances arose for Ocean Reef Road, Marmion Avenue - Swanson Avenue \$433,680 and Ocean Reef Road / Joondalup Drive intersection upgrade \$386,271 which are both progressing and Whitfords Avenue Upgrades \$90,966 which is currently in the design phase.
- e) This unfavourable variance is mainly due to Robertson Road (\$214,700) which is part funded from carried forward funds from the previous 2015-2016 financial year.
- f) This includes unfavourable variances of (\$479,935) for Oceanside Promenade and (\$150,799) for Joondalup Drive / Shenton Avenue Lighting Upgrade, which have been carried forward from the previous 2015-2016 financial year. This is partly offset by favourable variances for Erindale Rd \$57,059 and Whitfords Ave \$14,452 both of which are currently being designed.
- g) Unfavourable variances arose for Windermere Park (\$120,455), Tennis Court Resurfacing Program (\$46,609) and Ocean Reef Boat Harbour Fish Cleaning Station (\$45,760) which are 2015-2016 projects funded from carried forward funds from the previous 2015-2016 financial year. In addition, unfavourable timing variances arose for Cunningham Park Play Space (\$82,321) and Coastal Foreshore Showers (\$20,384) which are progressing ahead of schedule to be completed prior to the summer season. A favourable variance arose for the Cricket Infrastructure Renewal City Wide Project \$5,654 which was completed under budget. The balances of the variances are spread across a number of projects.
- h) Favourable timing variances arose for Percy Doyle #3 Oval Irrigation Installation \$108,752, Christchurch Park \$67,083 and Belrose Park Irrigation \$60,000 partly offset by unfavourable variances for Irrigation upgrades at Chelsea Park (\$7,586), Gradient Park (\$12,081) and Gibson Park (\$4,677) which have been carried forward from the previous 2015-2016 financial year.
- i) Unfavourable variance due mainly to Joondalup City Centre Lighting Stage 1 (\$913,188) offset by favourable timing variances for Chichester Park \$100,682 and Ocean Reef Park \$247,198 Floodlighting Upgrades which were initially anticipated as carry forwards from 2015-2016 but were completed within the 2015-16 financial year



and favourable timing variances for Juniper Park PAW \$69,775 and Batavia Park PAW \$45,013 which are running behind scheduled work.

- j) A favourable variance arose for Marlock Dr Median Treatment \$34,625 which was completed under budget and favourable timing variances arose for Albion St / Marmion Ave \$58,953, and across a number of projects delayed due to the need to undertake works during school holidays including Hocking Pde/ St Helier Dr Intersection \$11,758, Warburton Ave / Leichhardt Ave Intersection \$3,710, Gibson Ave / Ellison Dr Intersection \$3,284 and Beaumaris Blvd \$6,472.
- k) Unfavourable variances arose for Walkability – Collier Pass Pedestrian Improvement (\$30,237) and Walkability – Sunset Coast Trail signage (\$4,764) carried forward from the 2015-16 financial year. An unfavourable timing variance arose for the Bus Shelter Program (\$18,104) and Ocean Reef Boat Harbour Access Pathway (\$34,039) being an additional project which was undertaken as a result of the Fish Cleaning Station for safe public access ways.
- l) An unfavourable timing variance arose for Sorrento Foreshore Parking Improvements (\$96,368) which is progressing ahead of schedule to coincide with the Sorrento Beach Enclosure opening in December partly offset by a favourable timing variance for Chesapeake Way On-Street Parking \$30,000 which is behind schedule.
- m) Variances occur across the program including unfavourable timing variances for the Foreshore Drinking Program (\$23,883) completed ahead of schedule for the summer season and the Burns Beach Lookout under the Natural Area Asset Renewal Program (\$91,049). These are offset by a number of favourable timing variances for foreshore pathway renewal projects including Liliburne Park \$48,000 which was completed as part of Stage 1 in 2015-2016 and Shepherds Bush Park Path \$48,000 which has undergone delays due to the changes in location of the BMX track at Robertson Cycleway.
- n) Unfavourable variance is predominantly due to landscaping works at Ocean Reef Rd duplication undertaken in conjunction with the road project under the Streetscape Renewal Program (\$219,301). This is partly offset by favourable variances for the Arterial Road Landscape upgrade \$27,478 and the Leafy City Program \$32,928.
- o) Favourable timing variances arose across the program including the Coolibah Park Sump Beautification \$50,000 which is still in design, Fenellia Cres Drainage \$24,513 and Pacific Way Drainage Upgrades \$14,533 which are running behind schedule due to delays with the progress of designs. Cockle PI \$5,962, Iluka Ave \$10,000 and Grenville Ave \$10,000 Drainage Upgrades were completed in 2015-2016 as part of the Road Preservation Program preparation works.

## **18. Vehicle and Plant Replacements**

This favourable variance for Fleet and Plant purchases includes a number of items which are progressing behind budget phasing, including \$252,000 for a Compactor Truck servicing public bins, \$250,000 for a Tipper Truck, \$190,000 for a Water Truck, \$120,000 for a Beach Cleaner and \$110,000 for a High Sided Tipper Truck, partly offset by unfavourable variances of (\$191,089) for purchases which are funded from carried forward funds from the previous financial year. Orders totalling \$51,219 are currently awaiting delivery in the coming months. Additional orders will be placed in the coming months and budget phasing will be updated in the budget review.

**19. Loan Repayment Principal**

The loan to fund the extension of the SES Winton Road Facility has not yet been drawn down generating a favourable variance to budget of \$67,554.

**20. Proceeds from Disposal**

The timing of the disposal of surplus land holdings generated an unfavourable variance of (\$4,234,820) partly offset by a favourable timing variance for Fleet and Plant assets disposals \$140,341.

**21. Opening Funds**

Variations in the actual results for 2015-16 compared to the budget estimate gave rise to a favourable variance of \$2,432,898 in opening funds. This includes higher operating revenue of \$603,033 mainly from Other Revenue \$467,619, which includes a workers compensation insurance rebate of \$369,285 for 2011-12 and 2012-13, Interest Earnings \$68,409 and Grants \$32,588. In addition, operating expenditure was \$1,854,052 lower than estimate mainly due to Employee Costs \$1,255,898, which includes a \$1,384,848 chargeback of the workers compensation provision pertaining to 2011-12 and 2012-13, Materials and Contracts \$496,275 and Utilities \$125,518. These are partly offset by an unfavourable Capital Deficit variance of (\$90,057).



## 22. Closing Funds

	June 2016	December 2016
<b>Current Assets</b>		
Cash and Investments	\$86,595,746	\$135,258,894
Rates Outstanding, Sundry Debtors and Other Receivables	\$2,889,704	\$17,697,891
Accrued Income	\$1,340,149	\$1,114,612
Prepayments	\$391,900	\$54,839
Inventories	\$70,380	\$90,051
<b>Total Current Assets</b>	<b>\$91,287,879</b>	<b>\$154,216,286</b>
<b>Current Liabilities</b>		
Trade Creditors	\$3,264,140	\$511,796
Sundry Payables	\$540,402	\$9,483,475
Accrued Expenses	\$5,061,026	\$2,932,264
Other Payables	\$1,946,216	-
Borrowings	\$2,126,295	\$1,074,346
Provision for Annual Leave	\$4,172,735	\$4,156,729
Provision for Long Service Leave	\$5,061,135	\$5,233,691
Provision for Workers Compensation Insurance	\$2,700,766	\$3,681,887
Provision for Sick Leave	\$259,569	\$271,232
Other Provisions	\$55,321	\$57,321
<b>Total Current Liabilities</b>	<b>\$25,187,605</b>	<b>\$27,402,740</b>
<b>Net Current Assets</b>	<b>\$66,100,274</b>	<b>\$126,813,546</b>
<b>Add back:</b> Borrowings	\$2,126,295	\$1,074,346
<b>Less:</b> Cash Backed Reserves	\$65,142,739	\$65,142,745
<b>Closing Funds – Surplus/(Deficit)</b>	<b>\$3,083,830</b>	<b>\$62,745,152</b>