

**City of Joondalup
Revised Budget Rate Setting Statement 2017/18**

Note	Dec YTD Budget	Dec YTD Actual	Variance YTD \$	Adopted Budget- Amended	Adopted Budget	Revised Budget	Variance to Budget \$	Variance %
OPERATING REVENUE								
General Rates	1	(96,902,818)	(96,892,651)	10,167	(96,952,818)	(96,884,799)	68,019	0%
Specified Area Rates		(589,482)	(598,913)	(9,431)	(589,482)	(597,621)	(8,139)	(1%)
Grants and Subsidies	2	(1,998,883)	(1,014,429)	984,454	(3,983,552)	(2,083,259)	1,900,293	48%
Contributions and Reimbursements	3	(369,790)	(457,824)	(88,034)	(869,387)	(1,085,632)	(216,245)	(25%)
Profit on Asset Disposals	4	(746,781)	(979,267)	(232,486)	(1,493,563)	(691,995)	801,568	54%
Fees and Charges	5	(31,367,502)	(31,537,080)	(169,578)	(40,525,044)	(40,262,063)	262,981	1%
Interest Earnings	6	(1,811,276)	(2,381,497)	(570,222)	(3,108,951)	(3,856,764)	(747,813)	(24%)
Other Revenue/Income	7	(143,688)	(230,907)	(87,219)	(146,448)	(278,439)	(131,991)	(90%)
Total Operating Revenue		(133,930,220)	(134,092,568)	(162,349)	(147,669,244)	(145,740,570)	1,928,673	1%
OPERATING EXPENSES								
Employee Costs	8	33,358,551	33,408,371	49,820	64,934,762	64,598,266	(336,496)	(1%)
Materials and Contracts	9	26,901,948	22,963,122	(3,938,826)	51,846,987	52,073,657	226,670	0%
Utilities (gas, electricity, water etc.)	10	2,854,803	2,640,000	(214,803)	5,706,215	5,503,840	(202,375)	(4%)
Depreciation of Non-Current Assets		14,505,262	16,838,882	2,333,620	28,989,014	28,989,014	-	0%
Loss on Asset Disposals	11	335,262	45,385	(289,877)	670,524	588,418	(82,106)	(12%)
Interest Expenses	12	292,850	328,104	35,254	662,030	616,864	(45,166)	(7%)
Insurance Expenses	13	1,538,009	1,369,035	(168,974)	1,542,342	1,367,754	(174,588)	(11%)
Total Operating Expenses		79,786,685	77,592,899	(2,193,786)	154,351,874	153,737,814	(614,061)	(0%)
(SURPLUS)/DEFICIT FROM OPERATIONS		(54,143,535)	(56,499,669)	(2,356,135)	6,682,630	7,997,243	1,314,612	20%
NON-CASH MOVEMENTS								
Depreciation on Assets		(14,505,262)	(16,838,882)	(2,333,620)	(28,989,014)	(28,989,014)	-	0%
Loss on Disposals		(335,262)	(45,385)	289,877	(670,524)	(588,418)	82,106	12%
Profit on Disposals		746,781	979,267	232,486	1,493,563	691,995	(801,568)	(54%)
Other Non-Current Items		(100,000)	(163,306)	(63,306)	(100,000)	(100,000)	-	0%
OPERATIONS' CASH (SURPLUS)/DEFICIT		(68,337,277)	(72,567,975)	(4,230,698)	(21,583,345)	(20,988,194)	595,150	3%
CAPITAL REVENUE								
Capital Grants and Subsidies	14	(3,215,159)	(5,292,669)	(2,077,510)	(9,026,605)	(10,086,037)	(1,059,432)	(12%)
Capital Contributions	15	-	(104,209)	(104,209)	-	(104,209)	(104,209)	(100%)
Equity Distribution - TPRC	16	(333,667)	(333,333)	334	(666,667)	(500,000)	166,667	25%
Other Equity Movements	17	-	(52,334)	(52,334)	-	(52,334)	(52,334)	(100%)
Total Capital Revenue		(3,548,826)	(5,782,545)	(2,233,719)	(9,693,272)	(10,742,580)	(1,049,308)	(11%)
CAPITAL EXPENDITURE								
Capital Projects	18	3,686,480	1,174,474	(2,512,006)	6,903,691	3,540,556	(3,363,135)	(49%)
Capital Works	19	13,976,170	12,983,795	(992,375)	33,684,227	35,456,474	1,772,247	5%
Motor Vehicle Replacements	20	1,403,000	941,748	(461,252)	3,201,000	3,338,641	137,641	4%
Loan Repayment Principal	21	1,595,520	1,528,052	(67,468)	3,004,841	3,084,740	79,899	3%
Equity Investments		-	-	-	47,443	47,443	-	0%
Total Capital Expenditure		20,661,170	16,628,069	(4,033,101)	46,841,202	45,467,854	(1,373,348)	(3%)
CAPITAL (SURPLUS)/DEFICIT		17,112,344	10,845,524	(6,266,820)	37,147,930	34,725,274	(2,422,656)	(7%)
TOTAL OPERATING (SURPLUS)/DEFICIT FUNDING		(51,224,933)	(61,722,450)	(10,497,518)	15,564,585	13,737,080	(1,827,506)	(12%)
FUNDING								
Proceeds from Disposals	22	(3,075,350)	(1,171,692)	1,903,658	(6,150,700)	(6,069,624)	81,076	(1.3%)
Surplus Carried Forward	23	(440,602)	(84,016)	356,586	(440,602)	(84,016)	356,586	(80.9%)
Transfer from Trust Fund	24	-	-	-	(95,000)	(201,498)	(106,498)	112.1%
Transfer from Reserves	25	-	-	-	(18,709,313)	(17,449,871)	1,259,442	(6.7%)
Transfer to Reserves	26	-	-	-	9,831,030	10,000,240	169,210	1.7%
CLOSING FUNDS		(54,740,885)	(62,978,158)	(8,237,274)	(0)	(67,689)	(67,690)	

**NOTES TO AND FORMING PART OF THE REVISED BUDGET
STATEMENT FOR THE 2017-18 FINANCIAL YEAR**

NOTES TO AND FORMING PART OF THE REVISED 2017-18 BUDGET STATEMENT
1. General Rates

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$96,952,818	\$96,884,799	(\$68,019)

This decrease arising predominantly from Interim Rates being lower than estimated in the budget.

2. Grants and Subsidies

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$3,983,552	\$2,083,259	(\$1,900,293)

The net decrease in Grants and Subsidies predominantly arose from advanced payment of General Purpose Grant funding (\$1,744,069) received in the 2016-17 financial year and lower General Purpose Grant funding allocation for 2017-18 (\$101,964) than originally estimated. Decreases also occurred for Other State Grant Funding due to the budgeted loan reimbursement (\$170,791) for the SES – Winton Road Extension no longer being required with the project instead fully funded by the Department of Fire and Emergency Services. This is partially offset by an increase in Other Grants and Subsidies \$186,242 for Yellagonga Wetlands – Smart Monitoring & Management.

3. Contributions, Reimbursements and Donations

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$869,387	\$1,085,632	\$216,245

The net increase in Contributions, Reimbursements and Donations is made up of the following major variations:

a) Contributions	149,265
b) Utility Charge Reimbursements	49,919
c) Insurance Reimbursements	14,590
Other	2,471
	\$216,245

- a) This increase is predominantly due to the recently commenced Yellagonga Wetlands – Smart Smart Monitoring & Management project \$166,500 partially offset by lower contributions for the Youth Liaison Program (\$14,480) than originally estimated.
- b) This increase is predominantly due to the timing of lease utility charges \$50,695 billing to lessees across a number of facilities.
- c) This increase is due to unbudgeted insurance reimbursements received.

4. Profit on Asset Disposals

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$1,493,563	\$691,995	(\$801,568)

A decrease of (\$1,271,728) profit on land disposals is predominantly due to increased valuations of surplus land \$1,092,778 at 30 June 2017 and reduced estimated net proceeds from sales (\$111,076). This is partially offset by the City of Joondalup's share in the gains on the disposal of developed residential land by Tamala Park Regional Council (TPRC) \$455,167 which was not part of the original budget and higher than estimated profit of \$14,993 on the disposal of vehicles.

5. Fees and Charges

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$40,525,044	\$40,262,063	(\$262,981)

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

Increases

- | | |
|---------------------------|--------|
| a) Refuse Charges | 83,833 |
| b) Other Fees and Charges | 76,429 |

Decreases

- | | |
|----------------------------------|--------------------|
| c) Licenses and Registrations | (130,305) |
| d) Hire and Rentals | (122,984) |
| e) Building and Development Fees | (76,708) |
| f) Sports and Recreation Fees | (72,431) |
| g) Parking Fees | (17,187) |
| h) Other Fees | (3,628) |
| | <u>(\$262,981)</u> |

- a) The volume of Domestic Refuse Removal Charges is slightly higher than estimated in the original budget.
- b) The increase is predominantly due to additional revenue received for Immunisations \$75,000 from the Department of Health for Meningococcal vaccine.
- c) The decrease is predominantly due to lower than estimated Dog Registration Fees (\$127,068) due to higher volumes of Lifetime Registrations paid in previous financial periods.
- d) The decrease mainly arises from Property Rental and Outgoings (\$116,490) due to early vacation in 2017-18 by Community Vision from its tenancy within the Administration Building (\$50,490) and correction of revenue account allocations in respect of Adshell Advertising (\$60,000) and Streetside Advertising (\$6,000) (Refer Note 7).
- e) A lower volume of building permits and higher volume of cheaper certified applications (\$50,000) as well as a lower volume of demolition permits and strata applications (\$30,000) has resulted in lower income than originally budgeted.
- f) A lower number of participants and temporary closure of the Craigie Leisure Centre during December – January has resulted in lower Admission Fees (\$56,037) and Learn to Swim Program Fees (\$326,252) than estimated in the original budget. This is partially offset by higher than estimated revenue for Membership Fees \$258,071 and Hire of facilities \$52,235.
- g) Lower than estimated revenue arose for Private Property Agreements (\$65,570) due to increased competition within the market. In addition lower than estimated revenues arose for On-Street Parking (\$78,885) and Off-Street Parking (\$43,949). This is partially offset by higher revenue for Multi Storey Car Parking \$171,218 than originally budgeted.
- h) Other variances are spread across various business areas and are not individually material.

6. Interest Earnings

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$3,108,951	\$3,856,764	\$747,813

This increase includes \$706,438 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 as well as slightly better returns than originally estimated, and additional interest on rates instalments and penalty interest \$39,840.

7. Other Revenue/Income

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$146,448	\$278,439	\$131,991

Rebates from the Local Government Insurance Scheme are \$26,995 higher than estimated in the original budget. In addition there is an increase due to reclassification of revenue from Adshell Advertising \$60,000 and Streetside Advertising \$6,000 as referred to in Note 5 above.

8. Employee Costs

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$64,934,762	\$64,598,266	(\$336,496)

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

Increases

a) Agency Employees	428,496
b) Employee Cost Allocations and Recovery	38,608

Decreases

c) Salaries and Wages	(127,839)
d) Other Employment Costs	(675,761)
	<u>(\$336,496)</u>

- a) This increase is due primarily to the use of Agency Employees to temporarily cover vacant positions and sick leave.
- b) Capital Labour Recoveries are slightly lower than budget.
- c) This net decrease is predominantly due to savings arising from vacancies.
- d) This decrease is predominantly due to a reduction in the Workers Compensation provision \$714,316, mainly arising from a change to the Workers Compensation insurance model.

9. Materials and Contracts

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
51,846,987	\$52,073,657	\$226,670

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

Increases

a) External Service Expenses	176,283
b) Furniture, Equipment and Artworks	172,643
c) Professional Fees and Costs	122,093
d) Other Materials	112,452
e) Finance Related Costs	110,507
f) Public Relations, Advertising and Promotions	43,259
g) Telephones and Communication	37,976
h) Accommodation and Property	34,563

Decreases

i) Waste Management Services	(221,923)
j) Charges and Recoveries	(87,288)
k) Computing	(83,454)
l) Travel, Vehicles and Plant	(77,781)
m) Contributions and Donations	(67,907)
n) Administration	(43,006)
Other	(1,747)
	<u>\$226,670</u>

- a) This includes increases for External Contractors and Services \$271,343 including the unbudgeted Yellagonga Wetlands – Smart Monitoring & Management program \$401,242 and higher than estimated expenditure for Building Cleaning \$66,706 partially offset by a reduction in Landscaping Maintenance (\$228,092) mainly due to reclassification of some SAR expenditure accounts to Other Materials (See note 9 (d) below). In addition an increase for Programme Activities \$85,659 spread across a number of areas partially offset by a decrease for Domestic Tipping Fees (\$153,350) due to lower tipping volumes than estimated in the original budget.
- b) This increase is predominantly attributed to \$178,967 more than estimated for additional bin replacements and bin components than originally estimated.
- c) This increase is mainly attributed to Consultancy Fees \$109,000 for the unbudgeted Yellagonga Wetlands – Smart Monitoring & Management program and higher than estimated Audit Fees \$20,000, arising from the City's annual financial audit coming under the Office of the Auditor General in 2017-18.
- d) This is mainly driven by reclassification of Landscaping and Conservation Services for SAR areas \$105,228 previously included under External Contractors and Services in the original budget estimate.

- e) This increase arises from increased Credit Card Merchant Fees \$112,480 due to higher volumes of credit and debit card transactions compared to original estimates.
- f) The increase is predominantly attributed to General Advertising \$49,071 including increased costs of weekly local newspaper advertising for Waste Management \$27,010 and higher than budgeted advertising costs for Cultural Services \$17,222 for the Joondalup Festival.
- g) Higher than anticipated Postage Fees for Marketing \$40,000 and Rating Services \$18,155 due partly to increased volume and scope but mostly due to additional postal charge increases by Australia Post, partially offset by a decrease in Mobile Phones costs (\$18,542) following recent review of phone accounts management and an updated contract offering from the City's service provider.
- h) This increase is spread across several areas including Refuse Removal \$19,713, Emergency Services Levy \$12,000, Council Rates \$10,996, Water Rates \$5,562 partially offset by a decrease in Rental and Outgoings (\$15,672) mainly due to a (\$20,000) reduction in the estimated venue hire costs for the Joondalup Eisteddfod.
- i) This decrease arises from lower collection and processing costs for Green Waste (\$184,881) due to lower volumes than originally estimated, Hard Waste (\$22,681), Recycling Waste (\$7,747) and Weekend Greens (\$6,613).
- j) This decrease is due to lower Fleet and Overhead charges for operating activities than originally estimated.
- k) This decrease is due to lower than estimated costs across a number of areas including Software Subscriptions (\$38,565), Data Communication Links (\$18,791), Software Licences (\$9,437) and Internet Provider Costs (\$8,809).
- l) This reduction is predominantly due to lower Vehicle Licensing (\$80,512) mainly as a result of the recent decision by State Government to exempt Local Governments from the additional registration fee component of annual vehicle licensing fees.
- m) This decrease includes Donations (\$49,168) mainly attributed to cessation of funding for Kidsport from 01 January 2018 as well as lower Grants and Contributions (\$38,249) than estimated in the original budget. This is partially offset by an increase in Grant Disbursements predominantly attributed to relocation of State Emergency Services to Winton Road \$25,974 following completion of the development project funded by the Department of Fire and Emergency Services.
- n) This decrease is mainly for Printing (\$38,026) and Photocopying (\$4,326) costs being lower than originally estimated.

10. Utilities

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
5,706,215	\$5,503,840	(\$202,375)

This comprises a net decrease in electricity costs of (\$199,480) based on current usage and charges for Roads (91,839), Buildings (\$80,307), and Parks (\$25,421). In addition a decrease in Water consumption charges (\$4,257) partially offset by a slight increase in Gas consumption charges \$1,361.

11. Loss on Asset Disposals

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$670,524	\$588,418	(\$82,106)

A decrease of (\$67,874) loss on land disposals is due to increased valuations of land assets at 30 June 2017 and lower than estimated loss of (\$14,232) on the disposal of vehicles.

12. Interest Expenses

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$662,030	\$616,864	(\$45,166)

This decrease is due to the budgeted loan for SES Winton Road Extension no longer being required and a necessary schedule adjustment for Warwick Hockey Project loan compared to estimates.

13. Insurance Expenses

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$1,542,342	\$1,367,754	(\$174,588)

Insurance Premiums incurred were lower than estimated for Industrial Special Risk (\$115,537), Public Liability (\$84,556) and Motor Vehicles (\$6,906). These are partly offset by higher Insurance Excess payments of \$18,883 and Other General Insurances \$13,527 than originally estimated.

14. Capital Grants and Subsidies

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$9,026,605	\$10,086,037	\$1,059,432

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

Decreases

a) Road Preservation/Resurfacing Program	(1,294,566)
b) Foreshore & Natural Areas Management Program	(200,000)
c) Parking Facilities Program	(30,000)
d) New Paths Program	(25,000)
e) Blackspot Projects	(17,682)

Increases

f) Corporate Projects	808,747
g) Major Building Capital Works	990,143
h) Major Road Construction Program	393,334
i) Street Lighting Program	291,945
j) Parks Equipment Program	101,491
k) Slab Path Replacement Program	41,020
	<u>\$1,059,432</u>

- a) This decrease is predominantly attributed to a significant part of the 2017-18 Federal Local Roads Grant being received in advance in the previous financial year.
- b) This decrease arose due to Whitfords Nodes Lookout becoming a multi-year project with design to be completed in 2017-18 and construction scheduled in 2018-19, with grant funding from LotteryWest now rescheduled for 2018-19.
- c) This decrease relates to the Herreshoff Ramble On-Street Parking project being cancelled due to the Department of Education being unable to contribute funding to the project.
- d) This decrease is due to a reduced contribution by the Perth Bike Network than originally expected for the Whitfords Avenue Shared Path.
- e) This decrease arises mainly from the changes to construction and grant funding phasing for some projects which will be completed in 2018-19.
- f) This increase includes funding for Ocean Reef Marina \$500,000 from State Government, and for unbudgeted projects Yellagonga Wetlands – Smart Monitoring and Management \$342,662 and Public Area CCTV \$50,000. This is partially offset by a decrease for Public Areas CCTV Collier Pass (\$83,915) which was completed in 2016-17.

- g) This increase is attributed to unbudgeted funding for SES Winton Road \$850,143 from the Department of Fire and Emergency Services, as well as the SES Training Tower \$60,000 and Windermere Park Clubrooms Refurbishment \$60,000.
- h) This increase is for completion and receipt of final funding for Ocean Reef Road – Marmion Avenue to Oceanside Promenade Dualling \$393,334 due to phasing of the project compared to estimates.
- i) Increases arose due to grant funding for Joondalup City Centre Street Lighting \$200,000 and Admiral Park Floodlight Upgrade \$91,945.
- j) This increase is predominantly attributed to funding received from LotteryWest for Thornton Park Playspace Renewal \$110,000.
- k) This increase relates to timing of final funding received for Robertson Cycleway Bike and Pedestrian Paths that was completed in 2016-17.

15. Capital Contributions

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
-	\$104,209	\$104,209

This increase is due to final contribution received for the Warwick Hockey Centre \$90,909 which was completed in 2016-17, and unbudgeted Artworks Donations \$13,300.

16. Equity Distribution – TPRC

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$666,667	\$500,000	(\$166,667)

Equity distributions from Tamala Park Regional Council (TPRC) have been revised based on revised estimates from TPRC.

17. Other Equity Movements

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
-	\$52,334	\$52,334

This favourable variance arose from reimbursement of rates paid to the City of Wanneroo for the City's share of land at Tamala Park.

18. Capital Projects

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$6,903,691	\$3,540,556	(\$3,363,135)

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

Increases

a) Yellagonga Wetlands – Smart Monitoring & Management	342,662
b) Pool Tiles Replacement – Craigie Leisure Centre	207,175
c) Public Area CCTV	30,747
d) Other	26,669

Decreases

e) Public Areas CCTV – Collier Pass	(200,000)
f) Joondalup Performing Arts & Cultural Facility	(3,738,905)
g) Dive Blocks Replacement - Craigie Leisure Centre	(31,483)
	<u>(\$3,363,135)</u>

- a) This project was recently developed and implemented following a successful grant funding application.
- b) This variance arose from an increase to the scope of works to replace all wall and floor tiles of the pool rather than just the floor tiles to ensure warranty and quality of work and minimise future pool closures for further tiles replacement.
- c) Costs for this project are higher than estimated in the original budget.
- d) This increase is across a number of projects and mainly arose from projects brought forward.
- e) This variance arises from the project having been completed in the previous financial year, ahead of estimates.
- f) This decrease is due to the Council decision not to initiate the design development phase of this project at this time.
- g) Costs for this project are lower than estimated in the original budget

19. Capital Works

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$33,684,227	\$35,456,474	\$1,772,247

The net increase in capital works of \$1,772,247 is made up of the following variations:

Increases

a) Traffic Management	625,220
b) Road Preservation and Resurfacing	569,175
c) Street Lighting	337,832
d) Major Buildings	277,181
e) Stormwater Drainage	233,446
f) Parking Facilities	184,852
g) Parks Development Program	108,240
h) Parks Equipment	63,880
i) Streetscape Enhancement	31,005

Decreases

j) Foreshore and Natural Areas	(382,966)
k) Major Road Construction Program	(175,798)
l) Major Projects Program	(49,999)
m) Paths Program	(49,821)
	<u>1,772,247</u>

- a) This variance is mainly caused by projects carried forward from the previous financial year including Marmion – Edinburgh Pedestrian Crossing Improvements \$233,010 and Warwick Train Station Entrance \$179,510. Increases also arose for Barridale Drive Traffic Treatment \$50,000 from higher than estimated costs and unbudgeted project Hepburn Avenue Road Shoulders \$228,000 for which grant funding has been approved. This is partially offset by decreases due to grant funding for some projects being re-phased over the 2017-18 and 2018-19 financial years including Marmion Avenue and Gilbert Road (\$54,000).
- b) Road Preservation and Resurfacing Program variance arises mainly from funds brought forward from the previous financial year.
- c) This increase is mainly attributed to unbudgeted grant funding for Joondalup City Centre Lighting \$259,398 and Admiral Park Floodlighting Upgrade \$91,945 and funding of \$40,260 brought forward from the previous financial year for Arterial and Urban Road Street Lighting.
- d) The increase for this program is mainly attributed to increased costs to Building Capital Works Various locations \$120,000 and unbudgeted funding received for the SES Training Tower \$60,000 and Windermere Park Clubroom Refurbishment \$60,000.
- e) This variance is mainly caused by projects brought forward from the previous financial year including Northshore Avenue Sump Renewal \$90,000 and Creaney Drive Drain Upgrade

\$42,460. An increase occurred due to higher than estimated costs for Coolibah Park Sump Beautification \$109,631 which includes carried forward funds of \$13,631.

- f) Increase is mainly related to Chesapeake Way On-Street Parking \$188,853 and Forrest Park Additional Parking \$151,000 both of which were carried forward from the previous financial year and higher than anticipated costs for Barrisdale Drive Parking Embayments \$35,000. This was partially offset by decreases for Pinnaroo Point Parking Improvements (\$130,000) to be carried forward to 2018-19 and Herreshoff Ramble On-Street Parking (\$60,000) which is withdrawn due to the Department of Education not contributing to this project.
- g) This increase is attributed to higher than estimated costs for MacDonald Park Lighting Management Program \$188,000 which includes brought forward funds of \$111,101. This is partially offset by a decrease for Parin Pioneer Park Development (\$80,000) which will be carried forward to 2018-19.
- h) This increase arose due to unbudgeted funding received from LotteryWest for MacDonald Park Playspace Renewal \$80,000 and Tom Simpson Park Playspace Renewal \$30,000. This is partially offset by a decrease in the Fitness Equipment Program (\$50,000) to be carried forward to 2018-19.
- i) This increase is attributed to additional expenditure on the Leafy City Program which was brought forward from the previous financial year.
- j) This decrease is predominantly attributed to Whitford Nodes Lookout (\$390,000) which has been rescheduled for delivery over two years, with design to take place in 2017-18 and construction in the following year.
- k) This variance is mainly as a result of Ocean Reef Road – Marmion Avenue to Swanson Way Dualling (\$165,333) being completed under budget.
- l) This variance is mainly caused by re-phasing of projects to be carried forward to 2018-19 including Percy Doyle – Tennis Clubrooms Refurbishment (\$371,505), Warwick Activity Centre - City Community Facilities (\$270,000) and Percy Doyle – Duncraig Leisure Centre Refurbishment (\$69,400). In addition Percy Doyle Power Upgrade was completed below budget (\$204,000). This is offset by increases for projects brought forward from the previous financial year including Penistone Park Facility Redevelopment \$646,662 and Percy Doyle Soccer Clubrooms Refurbishment \$190,500.
- m) This decrease is mainly attributed to several Slab Path Replacement projects (\$83,583) which were completed under budget. In addition decreases occurred for New Paths projects Whitfords Avenue Shared Path (\$45,000) brought forward from the previous financial period and Marmion Avenue – Moore Drive to Delamere Avenue (\$14,680) which was completed under budget. This is partially offset by Burns Beach to Mindarie Dual Use Path \$100,000 project, funding for which was received in the previous financial period.

20. Motor Vehicle Replacements

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$3,201,000	\$3,338,641	\$137,641

This increase includes \$194,152 for Fleet and Plant items that are funded from carry forwards from the previous financial year. These are partly offset by a net decrease of (\$56,612) as a result of favourable variations in cost and specifications when compared to the original budget estimate.

21. Loan Repayment Principal

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$3,004,841	\$3,084,740	\$79,899

The increase is mainly due to earlier draw down of funds for Warwick Hockey Project incurring an additional repayment of \$225,279 compared to the original estimate of scheduled repayments, partially offset by the budgeted loan for SES Winton Road Extension (\$145,38) no longer being required.

22. Proceeds from Disposals

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$6,150,700	\$6,069,624	(\$81,076)

This decrease is predominantly due to lower proceeds from surplus land disposals (\$111,076) than estimated in the original budget partially offset by higher proceeds from fleet assets disposals \$30,000.

23. Surplus Carried Forward

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$440,602	\$84,016	(\$356,586)

The revised budget has brought to account the actual surplus carried forward from the previous financial year as reported in the 2016-17 annual financial report (Council Minutes 21 November 2017 CJ189-11/17 refers).

24. Transfer from Trust

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$95,000	\$201,498	\$106,498

The increase from trust is predominantly due to the \$100,000 from the Burns Beach Dual Use Path, not in the original budget due to funds received in 2016-17 financial year and \$6,498 for additional funds from the Public Open Space due to higher opening trust balance.

25. Transfer from Reserves

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$18,709,313	\$17,449,871	(\$1,259,442)

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

Increases

a) Capital Works Carried Forward	3,901,615
b) Cash in Lieu of City Centre Parking	151,994
c) Vehicle and Plant Replacement	123,260
d) Other	29,200

Decreases

e) Joondalup Performing Arts & Cultural Facility	(3,738,905)
f) Strategic Asset Management	<u>(1,726,606)</u>
	<u>(\$1,259,442)</u>

- a) Funds for uncompleted Capital Works, Capital Projects, Fleet and Other Projects at the end of the previous financial year exceeded estimates resulting in the additional transfer from the reserve in the revised budget.
- b) The increase in the transfer from this reserve is due to the funding of Chesapeake Way On Street Parking \$151,994.
- c) This increase is due to an increase in fleet replacements of \$137,641 which includes \$194,152 for Fleet and Plant items that are funded from carry forward from the previous financial year. These are partly offset by a net decrease of (\$56,612) as a result of favourable variations in cost and specifications when compared to the original budget estimate.
- d) This was made up mainly of increases in transfers from Section 20A \$53,438, offset by decreases in transfers from the SAR Woodvale Reserve \$21,813 and Parking Facility Reserve \$2,425.
- e) This decrease in transfer from the Joondalup Performing Arts & Cultural Facility is due to the council decision not to initiate the design development phase of this project at this time.

- f) The reduction is due to project expenditure not requiring the use of reserve funds following revisions to estimates.

26. Transfer to Reserves

Adopted Budget 2017-18	Revised Budget 2017-18	Variance Increase / (Decrease)
\$9,831,030	\$10,000,240	\$169,210

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

Increases

a) Capital Works Carried Forward	430,000
b) Waste Management	215,271
c) Interest Earned on Reserve Funds	123,531

Decreases

d) Parking Facility	(317,020)
e) Tamala Park	(166,667)
f) Joondalup Performing Arts and Cultural Facility	(111,076)
Other	<u>(4,829)</u>
	<u>\$169,210</u>

- a) This increase is due to projects deferred to next financial year including Whitfords Nodes Lookout Stairway \$170,000, Pinnaroo Point Parking Improvements \$130,000, Parin Pioneer Park Development \$80,000 and Fitness Equipment Program \$50,000.
- b) This represents an increase in the estimated net surplus from Waste Management Operations arising from cost savings delivered by the new bulk waste service.
- c) 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 and slightly higher return on investment.
- d) The decrease in the transfer to the reserve represents a lower anticipated operating surplus from parking operations.
- e) The decrease is due to lower estimated equity distributions from Tamala Park Regional Council.
- f) The decrease is due to lower anticipated net sales proceeds from surplus land sales at Catalina Estimate.