

City of Joondalup
Revised Budget Rate Setting Statement 2018/19

	Note	Dec YTD Budget	Dec YTD Actual	Variance YTD \$	Adopted Budget	Revised Budget	Variance to Budget \$	Variance %
OPERATING REVENUE								
General Rates	1	(100,296,743)	(100,772,556)	(475,813)	(100,296,743)	(100,765,907)	(469,164)	(0%)
Specified Area Rates		(561,099)	(568,395)	(7,296)	(561,099)	(568,048)	(6,949)	(1%)
Grants and Subsidies	2	(1,711,873)	(941,147)	770,726	(3,526,604)	(1,997,909)	1,528,695	38%
Contributions and Reimbursements		(544,292)	(564,229)	(19,937)	(1,100,753)	(1,079,459)	21,294	2%
Profit on Asset Disposals	3	(13,742)	(257,534)	(243,792)	(41,225)	(274,549)	(233,324)	(16%)
Fees and Charges	4	(31,843,582)	(31,761,673)	81,909	(41,337,134)	(41,465,320)	(128,186)	(0%)
Interest Earnings	5	(1,995,859)	(2,654,027)	(658,168)	(3,446,921)	(4,404,877)	(957,956)	(31%)
Other Revenue/Income	6	(105,353)	(798,097)	(692,744)	(213,466)	(1,041,989)	(828,523)	(566%)
Total Operating Revenue		(137,072,542)	(138,317,658)	(1,245,115)	(150,523,945)	(151,598,058)	(1,074,113)	(1%)
OPERATING EXPENSES								
Employee Costs	7	33,811,024	32,460,983	(1,350,041)	65,529,623	64,751,317	(778,306)	(1%)
Materials and Contracts	8	26,153,204	24,042,840	(2,110,364)	52,554,318	53,257,429	703,111	1%
Utilities (gas, electricity, water etc.)		2,669,825	2,744,746	74,921	5,613,600	5,650,882	37,282	1%
Depreciation of Non-Current Assets	9	15,420,016	15,273,375	(146,641)	30,819,322	30,405,036	(414,286)	(1%)
Loss on Asset Disposals	10	42,060	183,732	141,672	212,295	4,320,877	4,108,582	613%
Interest Expenses		211,833	211,798	(35)	476,596	478,506	1,910	0%
Insurance Expenses		1,382,622	1,394,321	11,699	1,383,322	1,395,342	12,020	1%
Total Operating Expenses		79,690,585	76,311,795	(3,378,789)	156,589,076	160,259,390	3,670,313	2%
(SURPLUS)/DEFICIT FROM OPERATIONS		(57,381,957)	(62,005,863)	(4,623,904)	6,065,131	8,661,332	2,596,200	39%
NON-CASH MOVEMENTS								
Depreciation on Assets		(15,420,016)	(15,273,375)	146,641	(30,819,322)	(30,405,036)	414,286	1%
Loss on Disposals		(42,060)	(183,732)	(141,672)	(212,295)	(4,320,877)	(4,108,582)	(613%)
Profit on Disposals		13,742	533,990	520,248	41,225	274,549	233,324	16%
Other Non-Current Items		(100,000)	95,158	195,158	(100,000)	(100,000)	-	0%
OPERATIONS' CASH (SURPLUS)/DEFICIT		(72,930,292)	(76,833,822)	(3,903,529)	(25,025,262)	(25,890,032)	(864,771)	(4%)
CAPITAL REVENUE								
Capital Grants and Subsidies	11	(1,493,898)	(2,960,800)	(1,466,902)	(8,904,948)	(7,091,018)	1,813,930	20%
Capital Contributions	12	(450,000)	(44,139)	405,861	(450,000)	(547,439)	(97,439)	(100%)
Equity Distribution - TPRC	13	(583,334)	(333,333)	250,001	(1,166,667)	(666,667)	500,000	75%
Equity Investment	14	-	(6,300)	(6,300)	-	(6,300)	(6,300)	(100%)
Total Capital Revenue		(2,527,232)	(3,344,573)	(817,340)	(10,521,615)	(8,311,424)	2,210,191	23%
CAPITAL EXPENDITURE								
Capital Projects	15	1,327,387	941,483	(385,904)	7,961,809	7,727,679	(234,130)	(3%)
Capital Works	16	7,608,207	9,891,479	2,283,272	29,734,882	33,822,205	4,087,323	12%
Motor Vehicle Replacements	17	1,198,000	619,339	(578,661)	2,574,000	2,685,299	111,299	3%
Loan Repayment Principal		1,585,964	1,585,964	-	3,201,862	3,201,863	1	0%
Equity Investments		-	-	-	-	-	-	100%
Capital Proposals		-	-	-	-	-	-	0%
Total Capital Expenditure		11,719,558	13,038,265	1,318,707	43,472,553	47,437,047	3,964,494	8%
CAPITAL (SURPLUS)/DEFICIT		9,192,326	9,693,692	501,367	32,950,938	39,125,624	6,174,686	17%
TOTAL OPERATING (SURPLUS)/DEFICIT FUNDING		(63,737,966)	(67,140,130)	(3,402,162)	7,925,676	13,235,592	5,309,914	34%
FUNDING								
Proceeds from Disposals	18	(108,247)	(733,739)	(625,492)	(1,969,790)	(2,359,559)	(389,769)	6.3%
Surplus Carried Forward	19	(534,903)	(4,428,425)	(3,893,522)	(534,903)	(4,428,425)	(3,893,522)	883.7%
Loans		-	-	-	-	-	-	0.0%
Transfer from Trust Fund		-	-	-	(1,930,000)	(1,930,000)	-	0.0%
Transfer from Reserves	20	-	-	-	(11,444,145)	(19,670,579)	(8,226,434)	44.0%
Transfer to Reserves	21	-	-	-	7,802,777	9,113,389	1,310,612	13.3%
Transfer to Accumulated Surplus		-	-	-	-	-	-	0.0%
CLOSING FUNDS		(64,381,116)	(72,302,294)	(7,921,176)	(150,385)	(6,039,582)	(5,889,199)	

**NOTES TO AND FORMING PART OF THE REVISED
BUDGET STATEMENT FOR THE 2018-19 FINANCIAL YEAR**

NOTES TO AND FORMING PART OF THE REVISED 2018-19 BUDGET STATEMENT

1. General Rates

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$100,296,743	\$100,765,907	\$469,164

This increase arising predominantly from Interim Rates being higher than estimated in the budget.

2. Grants and Subsidies

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$3,526,604	\$1,997,909	(\$1,528,695)

The net decrease in Grants and Subsidies predominantly arose from advance payment of General Purpose Grant funding (\$1,704,295) received in the 2017-18 financial year and Other Grants and Subsidies (\$63,158) for Yellagonga Wetlands – Smart Monitoring & Management which has been re-phased due to re-scheduling of Federal Government funding. This is partly offset by unbudgeted Grant funding received for programs including Sorrento Foreshore Bushland \$75,000 from the Department of Transport for sand shifting, \$47,992 from the Department of Veteran Affairs through the Armistice Centenary Grant Program, \$15,833 from the State Graffiti Fund and \$6,000 from Telstra for the Be Connected program.

3. Profit on Asset Disposals

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$41,225	\$274,549	\$233,324

An increase in the City of Joondalup's share in the gains on the disposal of developed residential land by Tamala Park Regional Council (TPRC) \$184,616 which was not part of the original budget and higher than estimated profit of \$48,708 on the disposal of vehicles due to the timing of 2017-18 disposals.

4. Fees and Charges

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$41,337,134	\$41,465,320	\$128,186

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

Increases

a) Sports and Recreation Fees	151,023
b) Parking Fees	107,200
c) Building and Development Fees	78,933
d) Other Fees and Charges	42,250
e) Refuse Charges	17,000

Decreases

f) Fines and Penalties	(180,779)
g) Hire and Rentals	(60,547)
h) Licenses and Registrations	(22,894)
i) Inspection and Control Fees	(4,000)
	<u>\$128,186</u>

- a) This increase is predominantly due to Membership Fees mostly attributed to increased membership at Craigie Leisure Centre \$151,566 and Hire of Facilities \$95,298. This is partially offset by decreases for Park Hire (\$35,692), Learn to Swim Program (\$34,330), Court Sport Revenue (\$29,104) and Personal Training (\$27,194).
- b) The increase is due to Multi Storey Car Parking Fees in anticipation of increased volume arising from the transfer of an estimated 600 state government employees to the Joondalup civic precinct in March 2019.
- c) An increase to the volume of transactions for Development Application Fees \$49,259, Other Building and Development Charges \$20,000 and Sub-Division Clearance Fees \$10,000 has resulted in higher income than originally budgeted.
- d) The increase is predominantly due to an increase to Immunisations \$43,000 as a result of the transition of changes to immunisation age and the meningococcal program.
- e) This increase arose from the introduction of the opt Out Fee Standard General Waste Bin as part of implementation of the 2018-19 Better Bins Project.
- f) Lower volumes for Parking Infringements (\$154,960) Suburban Parking (\$18,760) and Poundage Fees (11,660) has resulted in lower income than originally budgeted.
- g) This decrease is predominantly attributed to lower than estimated income for rental of part of the Joondalup Administration Centre (\$60,440) which is no longer anticipated to be tenanted during the current year.
- h) Lower than estimated revenue arose for Stall Fees and Licences (\$12,545) and Trading in Public Space Licences (\$10,349).
- i) Lower than estimated income arose for Inspection Fees (\$4,000).

5. Interest Earnings

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$3,446,921	\$4,404,877	\$957,956

This increase is mainly due to Interest from Other Financial Institutions 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 and better returns from investments than originally estimated.

6. Other Revenue/Income

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$213,466	\$1,041,989	\$828,523

This increase arose predominantly from an unbudgeted Contribution \$500,000 from Satterley in lieu of providing the City with land for future community purposes (Beaumaris Beach Estate) and unbudgeted rebates received from LGIS \$320,183 mainly representing the City's share of rebates provided to LGIS scheme members and workers compensation performance rebate.

7. Employee Costs

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$65,529,623	\$64,751,317	(\$778,306)

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

Increases

a) Agency Employees	539,343
---------------------	---------

Decreases

b) Salaries and Wages	(1,234,638)
c) Other Employment Costs	(52,064)
d) Employment Cost Allocations and Recovery	(30,947)
	<u>(\$778,306)</u>

- a) This increase is due primarily to the use of Agency Employees to cover vacant positions.
- b) This net decrease arose for Salaries and Wages in various areas mainly due to vacant positions and positions covered by Agency Employees.
- c) This decrease is predominantly due to a reduction in Staff Training (\$17,265), Staff Uniforms and Protective Clothing (\$15,748) and Fringe Benefits Tax (\$8,633).
- d) Capital Labour Recoveries are slightly higher than budget.

8. Materials and Contracts

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$52,554,318	\$53,257,429	\$703,111

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

Increases

a) Professional Fees and Costs	339,916
b) Contributions and Donations	295,247
c) Other Building Materials	178,147
d) Furniture, Equipment and Artworks	120,358
e) Travel, Vehicles and Plant	88,772
f) Telephones and Communication	69,431
g) Public Relations, Advertising and Promotions	42,938

Decreases

h) Accommodation and Property	(98,781)
i) Charges and Recoveries	(97,842)
j) External Service Expenses	(97,264)
k) Administration	(53,486)
l) Waste Management Services	(48,257)
m) Computing	(31,562)
Other	(5,506)
	<u>\$703,111</u>

- a) This includes an adjustment for Consultancy \$289,019 carried forward from 2017/18 and increases for Legal Expenses \$44,404 and Recoverable Legal Expenses \$34,710, partially offset by decreases for Research (\$18,000) and Valuation Fees (\$12,273).
- b) This increase is mainly attributed to a contribution of \$200,000 to Adshel Advertising for new design boarding on new bus shelters, \$50,000 to Kaleidoscope, \$15,000 for Crossover Subsidy Payments and \$14,000 adjustment for Sponsorship carried forward from 2017/18.
- c) This increase is mainly attributed to External Materials Purchases – Contract for Building Maintenance Works \$87,740 and Landscaping and Conservation Services \$32,715. In addition, an increase arose from External Material Purchases – Day Labour \$46,475.
- d) This increase is mainly driven by Plant and Equipment Maintenance and Repair \$60,189, Computer and Communications Equipment Maintenance \$25,138, Computer and Communications Equipment Purchases \$17,526 and Equipment Hire \$9,451.
- e) This increase arose mainly from Parts and Repairs \$53,050 and Vehicle Servicing Costs \$31,300.
- f) The increase is predominantly attributed to Postage, Courier and Freight Services \$75,342 mainly arising from increased postage costs for the Housing Opportunity Area project, partially offset by a decrease for After Hours Emergency Telephone Service (\$8,610).
- g) This includes increases for Promotions \$26,369, Catering \$14,549 and General Advertising \$13,751, partially offset by a decrease for Entertainment and Hospitality Expenses (\$8,388).
- h) This decrease is mainly driven by Refuse Removal Charges (\$125,239) due to implementation of improved recyclable measures, partially offset by increases for FESA ESL Payments \$13,402, Security \$9,816 and Rental and Outgoings \$8,164.

- i) This decrease is attributed to an increase of labour applied to capital works resulting in higher recoveries and reduced Operating Labour Costs (\$111,084) partially offset by higher Fleet and Plant Charges \$13,242 than originally estimated.
- j) This decrease is spread across several areas including General Waste Tipping Fees (\$92,672) from reduced tonnages following implementation of the 2018-19 Better Bins Project, External Contractors and Services (\$35,554) and Abandoned Vehicles (\$11,005). This is partially offset by an increase for Programme Activities \$46,767.
- k) This is predominantly attributed to decreases spread across several areas for Printing (\$51,779).
- l) This decrease is attributed to implementation of the 2018-19 Better Bins Project in consideration of increased volumes of Green and Recycling Waste and reduced General Waste Tipping Fees.
- m) This decrease includes Computer Software Subscriptions (\$46,115) and Internet Provider Costs (\$17,630), partially offset by an increase for Computer Software Maintenance \$23,303.

9. Depreciation of Non-Current Assets

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$30,819,322	\$30,405,036	(\$414,286)

Depreciation variances arose due to revaluation and asset capitalisation at 30 June 2018. Decreases arose for Open Reserves (\$1,005,296) and Buildings (\$135,594), partially offset by increases for Computer and Communications Hardware \$271,814, Mobile and Other Plant \$198,944, Lighting \$70,151. In addition, an increase arose for Impairment / Write Off of Assets \$166,494. The balances of the variances are spread across a number of areas.

10. Loss on Asset Disposals

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$212,295	\$4,320,877	\$4,108,582

This increase is mainly due to transfer of Joondalup Basketball Stadium building and land assets to Land Corp \$3,970,111. The building was constructed in June 1982 on land leased from Land Corp. The lease has expired and the building is no longer required by the City. In addition, a higher than estimated loss on the disposal of vehicles arose mainly due to the timing of disposals that were originally scheduled to occur in the previous year.

11. Capital Grants and Subsidies

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$8,904,948	\$7,091,018	(\$1,813,930)

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

Decreases

a) Major Projects	(1,750,000)
b) Capital Projects	(1,613,038)
c) Road Preservation Resurfacing Program	(986,759)
d) Foreshore and Natural Areas	(177,367)
e) Path Program	(75,000)

Increases

f) Street Lighting Program	786,279
g) Parks Equipment Program	752,566
h) Major Road Construction Program	773,023
i) Major Building Capital Works	312,728
j) Parks Development Program	120,000
k) Other	43,638
	<u>(\$1,813,930)</u>

- a) This decrease is due to an unsuccessful grant funding application for the Joondalup Men's Shed (\$1,750,000).
- b) This decrease arose due to delays in Federal Government funding now scheduled in 2019-20 for projects Better Bins-Implementation (\$1,546,000) and delay in progression of the Yellagonga Wetlands Project (\$67,038).
- c) Decreases arose due to advance payments received in 2017/18 and brought forward for the Federal Local Roads Grant (\$1,200,019) and Roads to Recovery funded projects including: Herreshoff Ramble (\$1,400); Northwood Avenue (\$1,400); Gnobar Way (\$1,400); Karlundie Way (\$11,251); and Oxley Avenue (\$340). In addition, a decrease arose for Roads to Recovery funded project Alderhaus Drive (\$110,881) due to the City's 5-year allowance being fully expended. These are partially offset by increases to the 2017/18 Metropolitan Rehabilitation Road Grants for Lilburne Road - Ayton Way to Ayton Way \$5,002; Lilburne Roundabout \$10,273 and Whitfords Avenue east bound - Alexander Road to Gibson Avenue \$36,810. In addition, an increase arose from the State Direct Grant \$192,419 which awarded a higher amount than estimated, subsequently allocated across Ripley Way \$149,267, Parnell Ave \$40,000 and Kebroyd Way \$3,152.
- d) This decrease arose mainly from an unsuccessful grant application for Whitfords Nodes Stairway (\$200,000) for which the City is currently exploring alternative grant funding opportunities, partially offset by an unbudgeted grant of \$22,663 from the Department of Local Government Sport & Culture Industries under the Conservation Reserves Interpretive Signage Program for the Beach Emergency Numbers Signage.
- e) This decrease arose as a result of the Western Australian Bicycle Network Beach Roads pathway grant funding being reallocated to 2019/20 when the grant conditions determine the grant can be paid.
- f) This increase arose from unbudgeted grant funding of \$675,000 awarded from the Department of Industry for Stage two of the Joondalup City Centre Street Lighting. In addition, the final grant payment was received in 2018/19 for Warrandyte Park Floodlighting Upgrade \$111,279 completed in 2017/18.

- g) This increase in grant funding is mainly due to the award of \$669,266 under the Community Sport Infrastructure Program for Whitfords Nodes Park Health & Wellbeing Hub (formerly Whitfords Nodes Playspace Renewal), \$50,000 for the Fitness Equipment Program (formerly known as the Outdoor Gym Equipment Program) and an additional Community Sporting and Recreation Facilities Fund Grant of \$33,300 for cricket practice nets at Percy Doyle Football & Teeball Reserve under the Cricket Infrastructure Renewal Program.
- h) This increase arose from the Major Road Improvement Grant for Whitfords Avenue Median Upgrades \$113,023 which was anticipated to be received in 2017/18. In addition, an unbudgeted amount of \$360,000 was received for the Warwick Road and Erindale Road Intersection Upgrade and \$300,000 for the Ocean Reef Road/Joondalup Drive Intersection upgrade.
- i) Increases include Duffy House Restoration \$272,728 and Stronger Communities Grants awarded for Emerald Park Community Facility \$10,000, Windemere Park Clubrooms \$10,000, Woodvale Library Toilet Upgrade \$10,000 under the Compliance, Access and Inclusion Program and Mirror Park Toilets / Storage Upgrade \$10,000.
- j) This increase arose from an additional grant for Blackthorn Park Nature Play area \$120,000 under the Heritage Precinct (formerly known as Parin Pioneer Park Development).
- k) An increase arose for the Streetscape Enhancement Program \$49,612, partially offset by a decrease for Traffic Management Program (\$5,974).

12. Capital Contributions

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$450,000	\$547,439	\$97,439

This includes increases for City Wide Cricket Infrastructure Renewal \$33,300, unbudgeted contributions received for refurbishment of the clubrooms at Windermere Park \$22,727, Percy Doyle Power Upgrade \$20,000 and for replacement of the floor tiles in the tennis change rooms at Percy Doyle Reserve \$9,957. In addition, unbudgeted rebates of \$7,455 were received for renewable energy appliances installed during upgrade of Penistone Park and \$4,000 contribution towards the Kingsley Commemorative Peace Precinct memorial.

13. Equity Distribution – TPRC

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$1,166,667	\$666,667	(\$500,000)

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

14. Equity Investment

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$-	\$(6,300)	\$(6,300)

This decrease in equity investment arose from unbudgeted GST contributions from TPRC land sales in relation to new GST rules in property sales that commenced on 1 July 2018.

15. Capital Projects

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$7,961,809	\$7,727,679	(\$234,130)

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

Increases

a) Better Bins Project - purchase of recycle bins	100,000
b) Workshop Outside Shelter and Truck Hoist	39,780
c) Acquisition of Land: Blackwattle Parade, Padbury	88,000

Decreases

d) Joondalup City Centre Commercial Office Development	(309,233)
e) Yellagonga Wetlands-Smart Monitoring and Management	(67,038)
f) Ocean Reef Marina	(46,349)
g) Other	(39,290)
	<u>(\$234,130)</u>

- a) Costs for this project are higher than estimated in the original budget.
- b) This increase arose mainly from funds brought forward from 2017/18.
- c) This increase arose from the agreed purchase from the Department of Planning, Lands and Heritage (Council decision CJ104-06/14 refers).
- d) This decrease is due to current project progression which is awaiting recommendations arising from the Order of Magnitude Business Case currently being prepared.
- e) This decrease arose due to delays in the project due to Federal Government funding now scheduled in 2019-20
- f) Costs for this project are lower than estimated in the original budget.
- g) The balance of the decrease in costs is spread across several projects.

16. Capital Works

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$29,734,882	\$33,822,205	\$4,087,323

The net increase in capital works of \$4,087,323 is made up of the following variations:

Increases

a) Street Lighting	3,348,286
b) Road Preservation and Resurfacing	1,039,230
c) Parks Equipment	884,028
d) Major Road Construction Program	360,000
e) Major Building Capital Works	346,531
f) Parks Development Program	199,179
g) Streetscape Enhancement	155,300
h) Traffic Management	154,551
i) Stormwater Drainage	66,844
j) Other	21,933

Decreases

k) Major Projects Program	(2,488,559)
	<u>4,087,323</u>

- a) This increase arose mainly from Joondalup City Centre Street Lighting \$3,296,379 predominantly due to carry forward of unspent reserve funds at the end of 2017/18. Other increases include Whitfords Nodes Car Park \$33,608 and Sir James McCusker Park Path Lighting \$10,999.
- b) Increases arose for some projects requiring additional drainage works following design reviews including Oliver Street \$68,900, Forest Hill Drive \$60,000, Parnell Avenue - Seacrest Drive to Martin Road \$57,000 and Braden Way \$40,000. In addition, increases arose across the program from the carry forward of funds from 2017/18 including Road Preservation Program - Asphalt Overlay \$78,521, and Arnisdale Road – Glengarry Drive to Merrick Way \$55,600 was identified as requiring additional works during the resurfacing phase to address several traffic management issues including adjusting kerb lines and the formalising of on street parking for the Commercial Precinct. These increases are partially offset by savings identified across the Parking Surfaces Renewal Program (\$91,000) and the withdrawal of Northshore Drive / Northshore Avenue (\$49,916) and Poynter Drive - Griffell Way to Granadilla Street (\$38,000) following condition audits that deemed these roads as not requiring rehabilitation during the current year.
- c) Increases include Whitfords Nodes Playspace Renewal \$719,266 (renamed as Whitfords Nodes Park Health & Wellbeing Hub) following additional grant funding from the Community Sport Infrastructure Grant Program and the Cricket Infrastructure Renewal Program \$105,435 at Percy Doyle Football / Teeball Reserve due to the approval of a grant application and Council Resolution (CJ146-08/18 refers) to approve funds to support cricket wickets under the program. In addition, increases arose for carry forward of funding for unfinished 2017/18 projects MacDonald Playspace Renewal \$33,367 and Tom Simpson Park Playspace \$37,607.

- d) This increase is attributed to Warwick Road - Erindale Intersection Upgrades \$360,000 following approval of additional grant funding from Main Roads WA with 2/3 of the project funded from the grant and 1/3 funded by the City.
- e) This increase is predominantly due to the addition of \$272,728 for Duffy House Refurbishment following Council Resolution 11 December 2018 (CJ233-12/18 refers) which is fully grant funded. In addition, Windermere Park Clubroom Refurbishment \$82,206 requires additional funds to upgrade sports floodlighting at the venue, including club contribution \$22,727 and additional grant funding \$10,000. The balances of variances are spread across the program.
- f) An increase of \$118,005 arose for Parin Pioneer Park Development (renamed Heritage Precinct) following approval of additional grant funding of \$120,000 for Blackthorn Park Nature Play within the Precinct. In addition, increases arose for Park Amenity Renewal \$30,000 to complete works at George Sears Park Amenity Renewal and Fairway / Carnaby Park Irrigation Consolidation \$30,560 which was completed over budget.
- g) This increase is mainly due to carry forward of unspent funds from 2017/18 for Leafy City Program \$83,583 and City Centre Streetscape Renewal Program \$22,106. In addition, an increase arose for Arterial Roads Landscape Upgrade \$49,612 for additional median landscaping works at Hepburn Avenue and Marmion Avenue following a grant received from Main Roads WA. The Streetscape Renewal Program project on Warwick Road, East of the Michell Freeway to Cockman Road will not proceed in 2018-19 and be replaced works on Hepburn Avenue east of the Mitchell Freeway with no net change to total funding.
- h) Increases include the carry forward of unspent funds from 2017/18 for Venturi Drive Median Treatment \$75,629 and additional funding for Perilya Road \$30,000 and Readshaw Road / Marmion Avenue Intersection Upgrade \$15,000 following detailed design estimates.
- i) Increases arose predominantly the carry forward of unspent funds from 2017/18 for incomplete projects Parin Pioneer Park Development (renamed Heritage Precinct) Stormwater Drainage \$119,045 and Periwinkle Park Catchment Upgrades \$62,988. This was partially offset by a decrease for Northshore Avenue Sump Renewal Works (\$50,189) following an end of year adjustment for estimated funds brought forward. In addition, Stormwater Drainage Upgrades was reduced (\$15,000) and Kingway Sump Beautification \$50,000 was withdrawn from the program as it has been found to be within the control of the Western Australian Planning Commission.
- j) This increase is attributed to the Foreshore and Natural Management Program \$30,922 offset by a decrease for the Paths Program (\$8,990).
- k) This decrease is predominantly due to re-phasing of the Joondalup Men's Shed (\$2,600,000) and Warwick Activity Centre City Community Facilities (\$269,871) over the five-year program. In addition, decreases arose from surplus funds for completed projects Percy Doyle - Tennis Clubroom Refurbishment (\$301,221) and Percy Doyle - Duncraig Leisure Centre (\$80,000) which had been borrowed in previous years from Percy Doyle - Utilities. Percy Doyle - Utilities \$411,288 increased as a result of these funds being returned as well as from carry forward of unspent funds from 2017/18. Other funds carried forward from 2017/18 resulted in increases for Craigie Leisure Centre Upgrades \$37,761 and Percy Doyle - Sorrento Bowling Clubrooms \$22,714. In addition, an increase arose for Penistone Park - Facility Redevelopment \$281,535 due to re-phasing over the program.

17. Motor Vehicle Replacements

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$2,574,000	\$2,685,299	\$111,299

This increase arose as a result of unfavourable variations in cost and specifications when compared to the original budget estimate.

18. Proceeds from Disposals

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$1,969,790	\$2,359,559	\$389,769

This increase is predominantly due to timing of fleet assets disposals originally budgeted to have occurred during the 2017/18-financial year \$311,651. The balance relates to unbudgeted disposal of a Water Truck of \$47,300 and minor adjustments based on actual proceeds.

19. Surplus Carried Forward

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$534,903	\$4,428,425	\$3,893,522

The revised budget has brought to account the actual surplus carried forward from the previous financial year as reported in the 2017-18 annual financial report (Council Minutes 20 November 2018 CJ210-11/18 refers).

20. Transfer from Reserves

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$11,444,145	\$19,670,579	\$8,226,434

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

Increases

a) Capital Works Carried Forward	5,618,085
b) Strategic Asset Management	2,621,379

Decreases

c) Other	(13,030)
	<u>\$8,226,434</u>

- a) Funds for incomplete 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) This increase from the reserve is to fund the Joondalup City Centre Lighting \$2,621,379 due to funds held unspent from the previous year.
- c) This was made up of decreases in transfers from SAR Iluka \$10,464, SAR Burns Beach \$1,836, SAR Woodvale \$500 and SAR Harbour Rise \$231.

21. Transfer to Reserves

Adopted Budget 2018-19	Revised Budget 2018-19	Variance Increase / (Decrease)
\$7,802,777	\$9,113,389	\$1,310,612

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

Increases

a) Capital Works Carried Forward	930,352
b) Strategic Asset Management	500,000
c) Vehicle & Plant Replacement	232,246
d) Waste Management	217,864
e) Other	7,957

Decreases

f) Parking Facility	(77,807)
g) Tamala Park	(500,000)
	<u>\$1,310,612</u>

- a) This increase is due to projects deferred to next financial year including Joondalup Men's Shed \$855,352 and Burns Beach Road Shared Path \$75,000.
- b) This increase is due to a contribution of \$500,000 from Satterley in lieu of providing the City with land for future community purposes (Beaumauris Beach Estate).
- c) This represents changes in sales proceeds and cost estimates for certain fleet and plant items to be replaced during the year resulting in an increased transfer of funds to the reserve.
- d) This represents an increase in the estimated net surplus from Waste Management Operations arising from cost savings delivered and the introduction of the new opt Out Fee.
- e) This includes additional \$3,899 from the Specified Area Rate Reserve-Burns Beach due to higher than estimated Rates Revenue, with the balance in respect of interest earned on reserve funds.
- f) The decrease in the transfer to the reserve represents a lower anticipated operating surplus from parking operations.
- g) The decrease is due to lower estimated equity distributions from Tamala Park Regional Council.