



BRIEFING PAPERS FOR ELECTED MEMBERS' BRIEFING SESSION

Draft Only

to be held at
the Council Chambers, Civic Centre, Dundobar Road, Wanneroo
on 28 February, 2017 commencing at 6.00PM



Briefing Papers for Tuesday 28 February, 2017

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L A T E I T E M S A G E N D A

Item 5 Late Reports

5.1 Warrant of Payments for the Period to 28 February 2017

File Ref:	1859 – 17/66161
Responsible Officer:	Director Corporate Strategy and Performance
Disclosure of Interest:	Nil
Attachments:	Nil

Report to be presented at the Ordinary Council Meeting on 7 March 2017.

5.2 2016/17 Mid-Year Review of Annual Budget

File Ref:	25973 – 17/66226
Responsible Officer:	Director Corporate Strategy and Performance
Disclosure of Interest:	Nil
Attachments:	3

Issue

To consider the Mid-Year Review (MYR) of the Annual Budget for 2016/17.

Background

Regulation 33A of the Local Government (Financial Management) Regulations 1996 requires a local government to carry out a review of its Annual Budget for that year between 1 January and 31 March in each year. Within 30 days after the review is carried out, the review is to be submitted to the Council for consideration. Council is to consider the review submitted to it and is to determine whether or not to adopt the review, any part of the review or any recommendations made in the review. The Revised Budgets resulting from the Mid-Year review are detailed in **Attachments 1, 2 and 3** and are inclusive of endorsed amendments from Council and Mid-Year review recommendations.

Detail

The MYR of the Annual Budget was undertaken during the month of January 2017 based on data as at the December 2016 month end. Commentaries on Revised Budgets as a result of the MYR are provided below.

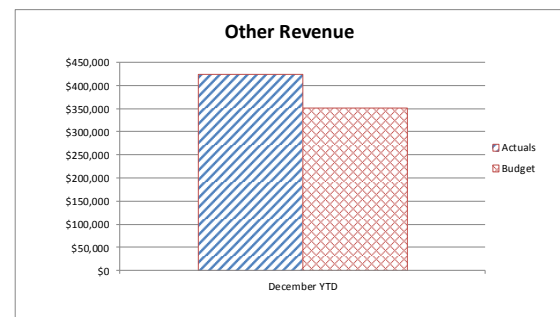
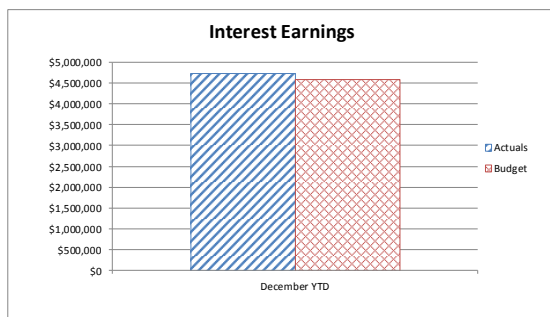
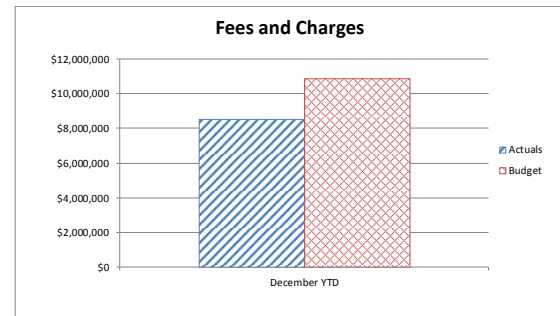
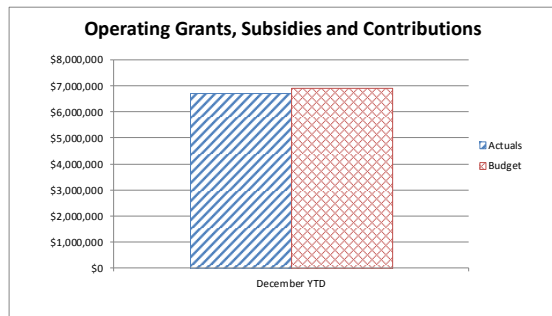
The overall adjustments captured through the MYR reflect an adverse impact to the Result from Operations of -\$1.3m, with the end of year Result from Operations post mid-year review reducing from an Original Budget Surplus of +\$1.7m to +\$519K. This is primarily the result of the loss of the City of Joondalup (CoJ) bulk rubbish collection contract which has adversely affected income though this is partially offset by reduced refuse removal costs, and an increase in staff costs given movement in leave provisions. Depreciation expense has also increased in line with the underlying asset base.

With the Capital Program, the Revised Budget post MYR is projected to be \$80.3m, representing a \$14.1m reduction, with some adjustments to be considered as part of the 2016/17 Budget deliberations and priorities within the Capital Works Program.

Budgeted Transfers from Reserves have reduced by \$3.7m which is attributable to the decreased requirement towards Capital Projects.

Income Statement (Attachment 1)

Operating Income



Rates

The full year forecast has increased the Rating Income by \$402K to \$142.5m. This is due to growth in the number of rateable properties, valuations taking place after original budgets being approved and revising of rates to be charged. As a result the Annual Revised Budget for Base Rates has been increased by +\$140K and Interim Rates by +\$262K. The number of rateable properties has increased from a budget of 75,216 to 76,791, being primarily in the Residential category.

Operating Grants, Subsidies and Contributions

The net change to operating grants, subsidies & contributions was a marginal increase of +\$2K. Areas to note are; -\$110K due to the cessation of financial counselling, an additional \$215K for Financial Assistance Grants, -\$93K reduction in pest control income and -\$63K reduction of the Emergency Relief Grant due to the Government ceasing this funding.

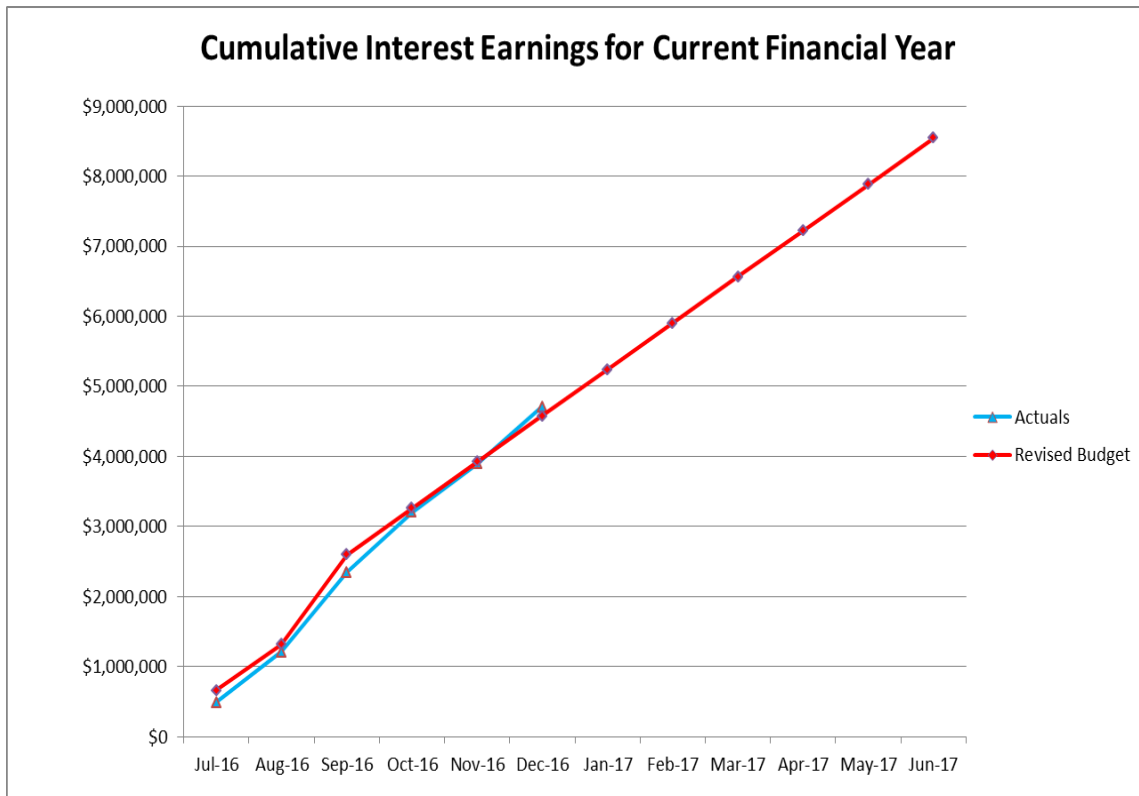
Fees and Charges

The full year forecast is revised down by -\$3.2m (-16%), with the major accounts affecting income under this category being:

- Service Fee Income reduced by -\$2.6m mainly due to the cessation of the CoJ bulk rubbish collection services.
- Application licence fee income decreased by -\$258K mainly through lower than anticipated activity levels within Building Assessment Services, Structure Planning and Development Assessment Services.
- Engineering Supervision Fee Income decreased by -\$175K within Land Development Services due to a market downturn.
- User Entry Fee income decreased by -\$182K predominantly from the Aquamotion facility which has experienced greater competition and downturn within the industry.
- Green Fee Income decreased by -\$100K which relates to both Marangaroo and Carramar golf courses achieving lower patronage than expected.

Interest Earnings

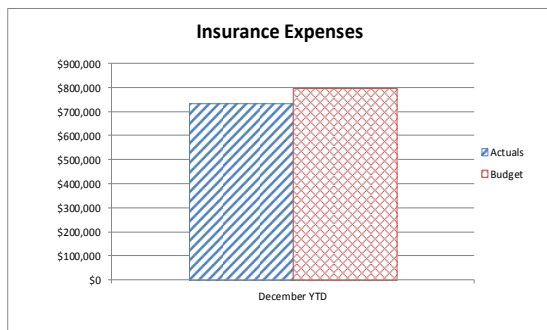
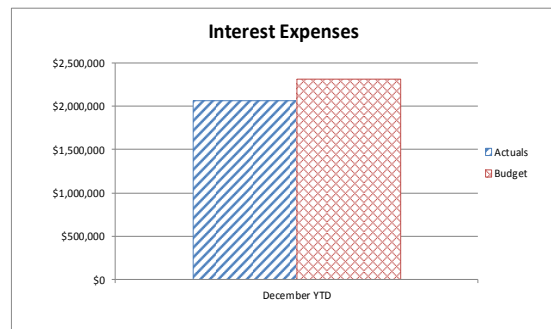
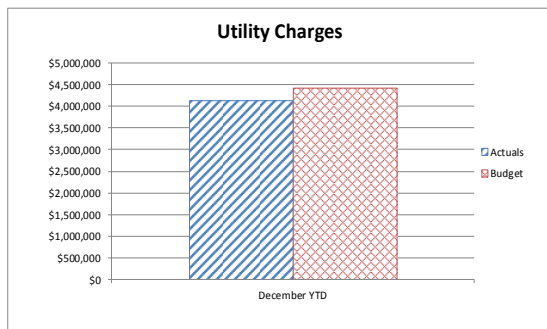
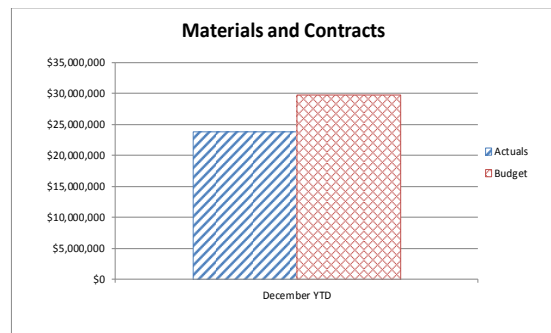
Based on the current forecast of available investment funds and interest rates for the balance of the financial year, the budget forecast will be increased by \$452K. It is noted that pooled investments at the beginning of the financial year were \$297.8m, growing to \$366.6m by the end of December 2016, whilst the 12 month Ausbond Bank Bill Index changed from 2.24% to 2.07% over the same period.



Other Revenue

The year-end forecast for the Other Revenue category presents a 21% increase of \$133K to \$778K. This increase is a result of a rise in recoverable maintenance works.

Operating Expenses



Employee Costs

The full year forecast for Employee Costs is an increase of 1% (\$516K) to \$71.8m, which reflects more accurate forecasting in the movement in leave provisions.

Materials and Contracts

The full year Materials and Contracts budget is revised to \$53.5m, being a decrease of \$2.0m compared to Adopted Budget. Explanations of the larger areas of change are outlined below:

Contract Expenses (-\$1.3m): This is mainly a result of maintenance contract expenditure requiring less activity in a large number of areas including maintaining park equipment, irrigation equipment, sportsground land and the Golf Courses, as well as reductions from the loss of the CoJ bulk refuse collection contract.

Material Expenses - General (+\$265K): The majority of the increase comes through additional requirements in road reserve land maintenance, being moderately offset through lower material requirements in park irrigation maintenance.

Refuse Removal Expenses (-\$1.2m): The reduction in this category is mainly a result of the savings through the cessation of the CoJ bulk rubbish contract as well as green waste and domestic rubbish expense savings.

Utility Charges

The outcome of analysis at MYR produced an increase expected by year-end of \$42K. This is mainly attributed to an increase in mobile phone and water service charges being partially offset by lower expected expenditure in electricity at golf course facilities and operation centres.

Depreciation

Based on year to date trend, the expected end of year forecast for Depreciation will be an increase of \$470K (+3%) due to the recognition of higher asset volumes than anticipated. This is a result of the capitalisation of completed capital projects and recognition of assets handed over from Developers (which have been revised up by 20% for this financial year). It should be noted that depreciation costs are accounting entries with no funding requirements. Depreciation calculations are directly related to level and nature of capital works completed and physical assets transferred during the year.

Interest Expenses

The Interest Expenses directly relate to the fixed interest repayments of the \$61m loan agreement entered into with Western Australia Treasury Corporation in 2006 and an additional loan to facilitate the construction of the Yanchep Active Open Space of which \$3.1million has been drawn.

Insurance

The MYR for Insurance indicated that expenditure is in line with annual expectations. As a result no change has been made to the budget.

Non-Operating Grants, Subsidies & Contributions

The forecast end of year figure represents an overall decrease of -\$1.7m due to projects not proceeding or in some cases delayed.

Contributions of Physical Assets

As at the end of December there is a total of \$20m in contributed assets recorded against the annual budget of \$50m. During the mid-year review it was identified that a further \$10m above the original budget is anticipated to be recognised due to Developers expected increase in activities.

Town Planning Schemes (TPS)

Latest planning activities have indicated developers' contributions will be lower than the annual budget by \$2.7m. This is a result of estimates on remaining lots in Cell 4 and Cell 9 developments being lower than anticipated. These decreases have been moderately offset by higher than anticipated lot creations in Cell 8. This will however not affect operations as funds received in this category are held separately in restricted reserve accounts for future Scheme use.

With TPS Expenses the \$1.2m decrease is mainly a result of expectations of 2 lots in Cell 4 that will not be settled this financial year.

Profit/(Loss) on Asset Disposals

When assessing the end of year forecasts an adjustment of -\$1.5m has been identified. This relates entirely to 2 lots of land in Wangara which are now not expected to sell this financial year.

Capital Projects (**Attachment 2**)

Review of the Capital Program has produced various adjustments to projects, as detailed in **Attachment 2**. These adjustments have resulted in a net reduction in the capital program of \$14.1m, with the post MYR Revised Budget projected to be \$80.3m.

With particular attention paid to the timing of the spending on large projects, there have been a number of projects relinquishing funds in 2016/17 for consideration during the 2017/18 Capital Budget development deliberations.

Some of the major deferrals, and the explanations for them, are as follows:

- Butler North District Open Space Masterplan (PR-2955) \$585K – realignment of funding to fit with project scheduling/cash flow requirements.
- Yanchep/Two Rocks District Playing Fields (PR-2072) \$3m – planting has been rescheduled to 2017 winter season.
- Yanchep/Two Rocks District Sports Amenities Building (PR-2253) \$2m – additional user group consultation resulted in project commencement to be rescheduled.
- Kingsway RSC Little Athletics Building (PR-3086) \$660K – project was deferred to allow for a CSRFF grant application to be made.
- Yanchep Surf Life Saving Club (PR-1048) \$1m – the project has been delayed by the need to re-tender for the replacement of the contractor undertaking the works.

Rate Setting Statement (refer to **Attachment 3**)

The Rate Setting Statement outlined in **Attachment 3** represents a composite view of the finances of the City. By identifying the movement in the surplus/(deficit), it is primarily based on the operations and capital works revenue and expenditure, and resulting rating income required.

Consultation

Internal stakeholders.

Comment

Total changes submitted through the MYR equate to an unfavourable amount of -\$1.3m, with the Result from Operations post MYR reflecting a Surplus of +\$519K.

Of the \$14.1m reduction in the Capital Program budget a large proportion is deferred for consideration in 2017/18. With regard to the financial impact on Municipal Funds a reduced draw of \$4.1m is identified for this financial year.

In summary, whilst the City has recognised an adverse impact through the MYR it is forecasting a minor Surplus Result from Operations for the year and does have adequate cash available to effectively operate.

This report was presented to the Audit and Risk Committee on 21 February 2017 for consideration and has been endorsed for reporting to Council.

Statutory Compliance

This report complies with *Section 6.4 of the Local Government Act 1995* and *Regulations 33A and 34 of the Local Government (Financial Management) Regulations 1996*.

Strategic Implications

The proposal aligns with the following objective within the Strategic Community Plan 2013 – 2023:

- “4 Civic Leadership - Working with others to ensure the best use of our resources.
4.3 A Strong and Progressive Organisation - You will recognise the hard work and professionalism delivered by your council through your interactions and how our community is developing.”

Risk Management Considerations

The tables below outline the Strategic and Corporate risks within the City's existing risk registers which relate to the issues contained in this report.

Risk Title	Risk Rating
Financial Management	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage

Risk Title	Risk Rating
Integrated Planning and Reporting	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage

The above risks relating to the issues within this report has been identified and considered within the City's corporate risk register. Action plans have been developed to manage the risks and to improve the existing management systems.

Policy Implications

Nil

Financial Implications

As outlined above and detailed in **Attachments 1, 2 and 3**.

Voting Requirements

Absolute Majority

Recommendation

That Council on the recommendation of the Audit and Risk Committee ADOPTS by ABSOLUTE MAJORITY the Mid-Year Review of the Annual Budget for the 2016/17 financial year in accordance with *Regulation 33A of the Local Government (Financial Management Regulations 1996*.

Attachments:

1. MYR Income Statement by N&T 17/44926
2. Capital Works - MYR 2016-17 17/45024
3. 2016/17 MYR Rate Setting Statement 17/50886

CITY OF WANNEROO
INCOME STATEMENT BY NATURE OR TYPE

2016/17 MID-YEAR REVIEW

Description	Year to Date	Annual				
	31-Dec-16	Original	Revised	MYR	Adj. Revised	Variance
	Actual	Budget	Budget	Adjustments	Budget	to Rev.
	\$	\$	\$	\$	\$	%
Revenues						
Rates	141,711,840	142,127,655	142,127,655	402,303	142,529,958	0
Operating Grants, Subsidies & Contributions	6,680,002	12,583,297	12,583,297	2,384	12,585,681	0
Fees & Charges	8,496,621	19,763,958	19,763,958	(3,242,216)	16,521,742	(16)
Interest Earnings	4,712,006	8,546,744	8,546,756	451,527	8,998,283	5
Other Revenue	422,744	644,408	644,408	133,433	777,841	21
	162,023,213	183,666,062	183,666,074	(2,252,569)	181,413,505	(1)
Expenses						
Employee Costs	(35,822,176)	(71,299,429)	(71,299,570)	(516,066)	(71,815,636)	(1)
Materials & Contracts	(23,751,401)	(55,557,400)	(55,487,274)	2,028,349	(53,458,925)	4
Utility Charges	(4,121,870)	(8,852,923)	(8,852,923)	(42,226)	(8,895,149)	(0)
Depreciation	(20,620,094)	(40,054,948)	(40,054,963)	(469,830)	(40,524,793)	(1)
Interest Expenses	(2,061,518)	(4,614,682)	(4,614,684)	0	(4,614,684)	0
Insurance	(729,498)	(1,584,844)	(1,584,844)	0	(1,584,844)	0
	(87,106,557)	(181,964,226)	(181,894,258)	1,000,227	(180,894,031)	1
Result from Operations	74,916,656	1,701,836	1,771,816	(1,252,342)	519,474	71
Other Revenue & Expenses						
Non Operating Grants, Subsidies & Contributions	9,039,494	19,224,353	18,792,669	(1,699,445)	17,093,224	(9)
Contributions of Physical Assets	20,147,768	50,000,000	50,000,000	10,000,000	60,000,000	20
Town Planning Scheme Revenues	8,839,427	22,569,911	22,569,911	(2,704,939)	19,864,972	(12)
Town Planning Scheme Expenses	(4,377,592)	(18,600,500)	(18,600,500)	1,204,742	(17,395,758)	(6)
Profit on Asset Disposals	1,070,703	3,806,662	3,806,662	(1,473,329)	2,333,333	(39)
Loss on Assets Disposals	(111,456)	(500,000)	(500,000)	0	(500,000)	0
	34,608,344	76,500,426	76,068,742	5,327,029	81,395,771	7
Other Comprehensive Income	0	0	0	0	0	0
Net Result	109,525,000	78,202,262	77,840,558	4,074,687	81,915,245	5

2016/17 Capital Projects Mid Year Budget Review (MYR)

Project No	Project Description	Revised Budget	Revised Budget (Post MYR)	Adjustment Increase (-) / Decrease	Funding Adjustments					Surplus Funds - Municipal	Funds Required - Municipal	Comments
					Grants	Loan	Reserves	TPS	Municipal			
	Original Adopted Budget	\$ 92,428,387										
	Endorsed Changes (prior to MYR)	\$ 1,949,174										
	Current Capital Program	\$ 94,377,561										
	Mid Year Review Adjustments											
PR-1006	Develop Industrial Estate Neerabup	\$ 1,281,250	\$ 881,250	\$ 400,000			\$ 400,000		\$ 0			Funds relinquished to be re-budgeted in 2017/18.
PR-1031	Purchase new IT equipment and software	\$ 305,264	\$ 369,264	\$ (64,000)					\$ (64,000)	\$ 30,000	\$ 94,000	Additional funding required for a new computer for the Communications and Events department, purchase of Trapeze software licenses for Building Services and Land Development units, purchase of additional computers and projector for the training room at Ashby depot, and tablet devices to enable timesheet improvements for the Depot workforce.
PR-1033	Upgrade IT equipment and software	\$ 61,236	\$ 50,236	\$ 11,000					\$ 11,000	\$ 11,000		Changing business priorities have resulted in some proposed projects becoming unnecessary or impractical.
PR-1035	New vehicle purchases - Waste management	\$ 465,000	\$ 0	\$ 465,000			\$ 465,000		\$ 0			Additional Waste truck not required.
PR-1037	Vehicle replacement - Waste management (domestic)	\$ 3,007,651	\$ 2,767,651	\$ 240,000			\$ 240,000		\$ 0			Replacement costs reduced due to refurbishment of waste trucks.
PR-1046	Pearsall Hocking Community Centre	\$ 710,126	\$ 753,493	\$ (43,367)					\$ (43,367)		\$ 43,367	Additional Funds required 16/17 to complete items identified during the commissioning of the building.
PR-1048	Yanchep Surf Life Saving Club	\$ 4,344,977	\$ 3,332,973	\$ 1,012,004		\$ 1,557,892	\$ 402,977		\$ (948,865)		\$ 948,865	Reschedule timeline and budget, new contract required. Funds relinquished to be re-budgeted in 2017/18.
PR-1087	Road resurfacing program	\$ 2,225,000	\$ 2,332,915	\$ (107,915)	\$ (107,915)				\$ 0			Adjustment to reflect true value of direct grant allocation from State Government.
PR-1301	DFES exchange vehicles	\$ 0	\$ 126,914	\$ (126,914)	\$ (126,914)				\$ 0			Exchange of DFES vehicle - fully funded.
PR-1466	Upgrade plant & equipment - Minor	\$ 30,000	\$ 0	\$ 30,000			\$ 30,000		\$ 0			Funds allocated in 2016/17 budget not required
PR-1494	Flynn Drive upgrade	\$ 824,747	\$ 341,555	\$ 483,192		\$ 83,192	\$ 100,000		\$ 300,000	\$ 300,000		Funds relinquished to be re-budgeted in 2017/18.
PR-1561	Koondoola Multicultural Centre	\$ 0	\$ 83,842	\$ (83,842)					\$ (83,842)		\$ 83,842	Funds required to complete safety items identified post-commissioning of the building, including replacement of glass door.
PR-1658	Replace plant - General	\$ 469,105	\$ 399,105	\$ 70,000			\$ 70,000		\$ 0			Return of surplus budget.
PR-1659	Replace plant - Light vehicles	\$ 2,541,580	\$ 2,441,580	\$ 100,000			\$ 100,000		\$ 0			Return of surplus budget.
PR-1660	Replace plant - Heavy trucks	\$ 1,041,206	\$ 631,206	\$ 410,000			\$ 410,000		\$ 0			Return of surplus budget.
PR-1883	Upgrade corporate business systems	\$ 191,646	\$ 162,166	\$ 29,480					\$ 29,480	\$ 29,480		Changing business priorities have resulted in some projects becoming unnecessary or impractical.
PR-2072	Yanchep district playing fields	\$ 7,041,356	\$ 3,994,063	\$ 3,047,293	\$ 243,750	\$ 1,430,075	\$ 855,150		\$ 518,318	\$ 518,318		Funds relinquished to be re-budgeted in 2017/18. Tender prices significantly lower than expected.

Project No	Project Description	Revised Budget	Revised Budget (Post MYR)	Adjustment Increase (-) / Decrease	Funding Adjustments					Surplus Funds - Municipal	Funds Required - Municipal	Comments
					Grants	Loan	Reserves	TPS	Municipal			
PR-2078	Design and document pathways and cycle lanes	\$ 90,000	\$ 30,000	\$ 60,000					\$ 60,000	\$ 60,000		Reallocated to PR-2707 to facilitate installation of childrens crossings.
PR-2088	Badgerup Lake (environmental offset requirement)	\$ 400,000	\$ 469,860	\$ (69,860)					\$ (69,860)		\$ 69,860	Additional funds required for increase in offset site for Old Yanchep Road project. Council resolution AS03-16/16 refers.
PR-2094	CCTV expansion	\$ 150,000	\$ 202,170	\$ (52,170)					\$ (52,170)		\$ 52,170	Funds transferred from PR-2472 for CCTV expansion and feasibility study.
PR-2097	Lenore Road upgrade	\$ 848,988	\$ 178,988	\$ 670,000				\$471,012	\$ 198,988	\$ 198,988		Funds not required. Works fully complete.
PR-2098	Purchase corporate business systems	\$ 415,217	\$ 411,758	\$ 3,459					\$ 3,459	\$ 3,459		Funds not required.
PR-2245	Sports floodlighting globe replacement program	\$ 21,000	\$ 95,000	\$ (74,000)					\$ (74,000)		\$ 74,000	Additional funding required to maintain floodlighting standard.
PR-2253	Yanchep district sports amenities building	\$ 3,298,928	\$ 1,298,928	\$ 2,000,000	\$ 577,750	\$ 661,983	\$ 248,321		\$ 511,946	\$ 511,946		Funds relinquished to be re-budgeted in 2017/18. Tender prices significantly lower than expected.
PR-2321	Develop passive park - Cheltondale Park	\$ 0	\$ 4,790	\$ (4,790)					\$ (4,790)		\$ 4,790	Return of retention not budgeted for.
PR-2323	Gumblossom netball and tennis facility upgrades	\$ 0	\$ 37,200	\$ (37,200)					\$ (37,200)		\$ 37,200	New project for 2016/17 - Councillor request.
PR-2368	Realign Gngara Road	\$ 30,000	\$ 15,000	\$ 15,000				\$ 15,000	\$ 0			Funds relinquished to be re-budgeted in 2017/18.
PR-2453	Building signage	\$ 3,900	\$ 0	\$ 3,900					\$ 3,900	\$ 3,900		Budget to be transferred to operating.
PR-2459	Fishermans Hollow toilet change block	\$ 300,000	\$ 255,000	\$ 45,000					\$ 45,000	\$ 45,000		Funds not required.
PR-2472	Butler Community Centre CCTV hub	\$ 52,170	\$ 0	\$ 52,170					\$ 52,170	\$ 52,170		Funds transferred to PR-2094 for CCTV expansion.
PR-2475	Fishermans Hollow beach access way	\$ 8,866	\$ 12,814	\$ (3,948)					\$ (3,948)		\$ 3,948	Project over spent due to additional rehabilitation works required.
PR-2484	Park shade structures	\$ 75,000	\$ 87,500	\$ (12,500)					\$ (12,500)		\$ 12,500	Addition of Blackmore Park to scope - Elected Member request.
PR-2496	New pathway Ocean Reef Rd, Woodvale	\$ 352,000	\$ 395,000	\$ (43,000)					\$ (43,000)		\$ 43,000	Additional funds required due to revised construction estimate.
PR-2549	Upgrade Lagoon Dve, Peony Blvd and Marmion Ave intersection	\$ 5,000	\$ 1,362	\$ 3,638					\$ 3,638	\$ 3,638		Project completed with savings.
PR-2561	Quinns Rocks coastal management works	\$ 700,000	\$ 250,000	\$ 450,000			\$ 331,000		\$ 119,000	\$ 119,000		Funds relinquished to be re-budgeted in 2017/18.
PR-2568	New playground installation program	\$ 222,706	\$ 290,462	\$ (67,756)					\$ (67,756)		\$ 67,756	Funds required to complete additional works to suit two locations and include two shade sails as per the updated Local Planning Policy.
PR-2573	Salitage Park Pearsall	\$ 273,147	\$ 295,147	\$ (22,000)					\$ (22,000)		\$ 22,000	Additional funds required to complete the project as per Council resolution AS04-06/16.
PR-2598	Upgrade Old Yanchep Road - Stage 1	\$ 1,847,200	\$ 2,293,437	\$ (446,237)	\$ (297,491)				\$ (148,746)		\$ 148,746	Additional funds required to to complete a number of items such as service relocations, related earthworks, etc.
PR-2621	Kingsway Olympic Sports clubrooms	\$ 192,819	\$ 115,600	\$ 77,219		\$ 77,219			\$ 0			Funds not required.
PR-2630	Automated fire danger rating signs	\$ 45,000	\$ 47,100	\$ (2,100)					\$ (2,100)		\$ 2,100	Overspend on project.
PR-2657	Parking scheme signage and linemarking	\$ 15,000	\$ 20,000	\$ (5,000)					\$ (5,000)		\$ 5,000	Further funds required for additional parking prohibition installations.

Project No	Project Description	Revised Budget	Revised Budget (Post MYR)	Adjustment Increase (-) / Decrease	Funding Adjustments					Surplus Funds - Municipal	Funds Required - Municipal	Comments
					Grants	Loan	Reserves	TPS	Municipal			
PR-2659	Two Rocks Road/ Lookout Drive intersection streetlight design and installation	\$ 50,000	\$ 100,000	\$ (50,000)					\$ (50,000)		\$ 50,000	Construction requires additional funds for Western Power costs.
PR-2664	Southern Suburbs Library	\$ 349,352	\$ 99,352	\$ 250,000					\$ 250,000	\$ 250,000		Funds relinquished to be re-budgeted in 2017/18.
PR-2674	Develop passive park - Curtis Park	\$ 0	\$ 6,137	\$ (6,137)					\$ (6,137)		\$ 6,137	Return of retention not budgeted for.
PR-2675	Development of Rendell Park	\$ 182,047	\$ 191,306	\$ (9,259)					\$ (9,259)		\$ 9,259	Additional funds required to complete the project, noting that insufficient funds were carried forward from 2015/16 to 2016/17.
PR-2677	Develop passive park - Picnic Cove, Yanchep	\$ 493,350	\$ 24,209	\$ 469,141					\$ 469,141	\$ 469,141		Funds relinquished to be re-budgeted in 2017/18.
PR-2707	Minor pathway projects - Unspecified	\$ 80,000	\$ 140,000	\$ (60,000)					\$ (60,000)		\$ 60,000	Reallocation of funding from PR-2078 to facilitate installation of childrens crossings.
PR-2775	Connolly Drive dualling - Hester Ave to Lukin Dr, Merriwa	\$ 2,594,852	\$ 2,374,852	\$ 220,000	\$ 143,098				\$ 76,902	\$ 76,902		Funds not required.
PR-2779	Connolly Drive dualling - Neerabup Rd to Hester Ave, Clarkson	\$ 3,468,908	\$ 3,128,908	\$ 340,000	\$ 122,134				\$ 217,866	\$ 217,866		Funds not required.
PR-2788	Romeo Rd, Carabooda	\$ 53,700	\$ 11,070	\$ 42,630					\$ 42,630	\$ 42,630		Project completed with savings.
PR-2805	Upgrading of Flynn Drive Banksia Grove - Stage 1	\$ 189,565	\$ 19,565	\$ 170,000					\$ 170,000	\$ 170,000		Funds relinquished to be re-budgeted in 2017/18.
PR-2824	Warradale Park upgrades	\$ 15,000	\$ 5,000	\$ 10,000					\$ 10,000	\$ 10,000		Funds not required.
PR-2834	Quinns Rocks catchment upgrade	\$ 20,000	\$ 25,187	\$ (5,187)					\$ (5,187)		\$ 5,187	Additional funds required for additional traffic management.
PR-2878	Traffic treatment on Landsdale Road Landsdale	\$ 83,959	\$ 92,217	\$ (8,258)					\$ (8,258)		\$ 8,258	Additional funds required for traffic management and street lighting costs.
PR-2945	Caporn St/Garden Park Dr intersection upgrade	\$ 179,727	\$ 174,727	\$ 5,000					\$ 5,000	\$ 5,000		Funds not required.
PR-2947	Aquamotion building asset renewal program	\$ 302,350	\$ 110,822	\$ 191,528					\$ 191,528	\$ 191,528		Funds relinquished to be re-budgeted in 2017/18.
PR-2955	Butler North District Open Space masterplan	\$ 939,342	\$ 354,539	\$ 584,803					\$ 584,803	\$ 584,803		Funds relinquished to be re-budgeted in 2017/18.
PR-2959	Shelvock Park floodlighting	\$ 388,953	\$ 218,012	\$ 170,941					\$ 170,941	\$ 170,941		Funds not required.
PR-2961	Riverlink Park Clarkson	\$ 1,563,804	\$ 1,481,272	\$ 82,532					\$ 82,532	\$ 82,532		Funds relinquished to be re-budgeted in 2017/18. Cash flow adjustment to match contract works in progress.
PR-2977	Install streetlights Wyatt Road to Paltara Way, Elliot Road	\$ 50,000	\$ 23,115	\$ 26,885					\$ 26,885	\$ 26,885		Funds not required.
PR-2982	Traffic treatments - Parin Road	\$ 173,700	\$ 92,463	\$ 81,237					\$ 81,237	\$ 81,237		Funds not required. Works fully complete.
PR-2987	Ainsbury Parade Clarkson traffic management scheme	\$ 185,000	\$ 200,000	\$ (15,000)					\$ (15,000)		\$ 15,000	Additional funds required due to higher service relocation costs.
PR-2988	Traffic treatment Templeton Crescent	\$ 50,000	\$ 18,971	\$ 31,029					\$ 31,029	\$ 31,029		Funds not required. Works fully complete.
PR-2993	Verge tree planing Alexander Heights	\$ 7,700	\$ 0	\$ 7,700					\$ 7,700	\$ 7,700		Funds not required.
PR-2995	Street Landscaping Mirrabooka Ave, Landsdale	\$ 13,585	\$ 103,585	\$ (90,000)					\$ (90,000)		\$ 90,000	Funds re-allocated to PR-2995 from PR-3004.
PR-3004	Lenore Road - landscaping	\$ 237,320	\$ 132,320	\$ 105,000					\$ 105,000	\$ 105,000		Funds re-allocated from PR-3004 to PR-2995.
PR-3029	WLCC airlock - Dundobar Road	\$ 131,408	\$ 136,572	\$ (5,164)					\$ (5,164)		\$ 5,164	Overspend on project due to engagement of new contractor.

Project No	Project Description	Revised Budget	Revised Budget (Post MYR)	Adjustment Increase (-) / Decrease	Funding Adjustments					Surplus Funds - Municipal	Funds Required - Municipal	Comments
					Grants	Loan	Reserves	TPS	Municipal			
PR-3036	Libraries furniture replacement program	\$ 0	\$ 2,583	\$ (2,583)					\$ (2,583)		\$ 2,583	2015/16 project - payment of invoices in 2016/17.
PR-3046	Yanchep community facilities	\$ 292,465	\$ 0	\$ 292,465					\$ 292,465	\$ 292,465		Duplicate cost centre, same as PR-4051. Change of scope.
PR-3047	Two Rocks Fire Station new building	\$ 201,451	\$ 75,701	\$ 125,750					\$ 125,750	\$ 125,750		Funds relinquished to be re-budgeted in 2017/18.
PR-3060	Install swings Tamarama Park, Clarkson	\$ 10,000	\$ 11,235	\$ (1,235)					\$ (1,235)		\$ 1,235	Minor budget change, 6 month delay.
PR-3070	Roads rehabilitation - Buckingham Dr Wangara	\$ 0	\$ 764	\$ (764)					\$ (764)		\$ 764	2015/16 project - payment of invoices in 2016/17.
PR-3072	Upgrade Neerabup Road - Marmion Ave to Connolly Dr	\$ 2,522,058	\$ 1,762,058	\$ 760,000	\$ 437,942				\$ 322,058	\$ 322,058		Funds not required. Works fully complete.
PR-3078	Upgrade of BMX track at Houghton Park	\$ 20,469	\$ 90,469	\$ (70,000)					\$ (70,000)		\$ 70,000	Additional funds required to plant more mature trees and provide security during project on-hold period.
PR-3085	South Ward active reserves building audits	\$ 40,000	\$ 0	\$ 40,000					\$ 40,000	\$ 40,000		Funds not required.
PR-3086	Design little athletics building Kingsway RSC	\$ 678,715	\$ 18,715	\$ 660,000	\$ 210,000	\$ 421,013			\$ 28,987	\$ 28,987		Funds relinquished to be re-budgeted in 2017/18.
PR-3090	Sports amenities building extension Gumblossom Reserve	\$ 375,519	\$ 360,519	\$ 15,000					\$ 15,000	\$ 15,000		Reduction of budget - unspent contingency.
PR-3091	Sports amenities building extension Ridgewood Reserve	\$ 29,100	\$ 185,600	\$ (156,500)					\$ (156,500)		\$ 156,500	Construction schedule brought forward as per Council report CP02-08/16.
PR-3097	Traffic treatments – Kingsway stage 3, Madeley	\$ 50,000	\$ 33,758	\$ 16,242					\$ 16,242	\$ 16,242		Works completed under budget.
PR-4007	Guardrail Mirrabooka Avenue	\$ 55,939	\$ 62,139	\$ (6,200)					\$ (6,200)		\$ 6,200	Additional funds required to complete project based on accepted quote, budget was based on a concept only.
PR-4009	Lake Joondalup Park Wanneroo Floodlighting	\$ 339,920	\$ 226,520	\$ 113,400	\$ 24,800				\$ 88,600	\$ 88,600		Funds not required. Tender prices significantly lower than estimates.
PR-4011	Drinking fountain Edgar Griffiths Park	\$ 0	\$ 8,651	\$ (8,651)					\$ (8,651)		\$ 8,651	Funds required to cover amount already expended to fully complete the project.
PR-4020	Wanneroo Sports and Social Club roof design and construction	\$ 50,198	\$ 10,198	\$ 40,000					\$ 40,000	\$ 40,000		Funds not required. Works fully complete.
PR-4024	Alexander Heights Day Club	\$ 571,000	\$ 0	\$ 571,000	\$ 571,000				\$ 0			Funds relinquished to be re-budgeted in 2017/18. Reliant on grant funding.
PR-4025	Marathon Loop Gnarara Road vehicle access upgrade	\$ 180,000	\$ 142,981	\$ 37,019					\$ 37,019	\$ 37,019		Savings identified. Works fully complete.
PR-4029	Street landscaping Gnarara Road	\$ 60,000	\$ 0	\$ 60,000					\$ 60,000	\$ 60,000		Funds not required.
PR-4032	Yanchep Active Open Space oval groundworks	\$ 1,550,000	\$ 1,399,423	\$ 150,577		\$ (60,566)			\$ 211,143	\$ 211,143		Expenditure incurred in the previous financial year.
PR-4034	Design & construct sports amenities building Hudson Park/Dennis Cooley Pavillion	\$ 572,000	\$ 42,000	\$ 530,000					\$ 530,000	\$ 530,000		Funds relinquished to be re-budgeted in 2017/18.
PR-4037	Building needs assessment & audit (ARMP) - South ward	\$ 50,000	\$ 0	\$ 50,000					\$ 50,000	\$ 50,000		Funds not required.
PR-4039	Ridgewood triple jump pit	\$ 15,000	\$ 13,259	\$ 1,741					\$ 1,741	\$ 1,741		Project completed with savings.
PR-4046	Mirrabooka Avenue dual carriageway construction	\$ 300,000	\$ 190,000	\$ 110,000	\$ 73,333				\$ 36,667	\$ 36,667		Funds relinquished to be re-budgeted in 2017/18 to match the project construction schedule and grant funding.
PR-4048	Install cricket wicket - Kingsway RSC	\$ 30,000	\$ 14,451	\$ 15,549					\$ 15,549	\$ 15,549		Savings identified. Works fully complete.

Project No	Project Description	Revised Budget	Revised Budget (Post MYR)	Adjustment Increase (-) / Decrease	Funding Adjustments					Surplus Funds - Municipal	Funds Required - Municipal	Comments
					Grants	Loan	Reserves	TPS	Municipal			
PR-4063	Traffic treatments - Hartman Dr, Darch	\$ 45,000	\$ 58,000	\$ (13,000)	\$ (8,667)				\$ (4,333)		\$ 4,333	Additional funds required to match State Blackspot funding increase to implement full scope of proposed works.
PR-4064	Traffic treatments - Anchorage Dr North, Mindarie	\$ 36,000	\$ 66,000	\$ (30,000)	\$ (20,000)				\$ (10,000)		\$ 10,000	Additional funds required to match State Blackspot funding increase to implement full scope of proposed works.
PR-4066	CCTV Kingsway RSC	\$ 0	\$ 150,000	\$ (150,000)	\$ (150,000)				\$ 0			Grant funding received.
Sub Totals for Mid Year Review		\$ 53,765,541	\$ 39,664,554	\$ 14,100,987	\$ 1,692,820	\$ 4,170,808	\$ 3,652,448	\$ 486,012	\$ 4,098,899			
Total Revised Capital Works Program Post MYR				\$ 80,276,574								

CITY OF WANNEROO
RATE SETTING STATEMENT
2016/17 MID YEAR REVIEW

Description	Year To Date	Annual			
	Actual	Original Budget	Revised Budget	MYR Adjustments	Adj. Revised Budget
	\$	\$	\$	\$	\$
Opening Surplus/(Deficit)	0	0	0	0	0
OPERATING ACTIVITIES					
Revenues					
Operating Grants, Subsidies & Contributions	6,680,002	12,583,297	12,583,297	2,384	12,585,681
Fees & Charges	8,496,621	19,763,958	19,763,958	(3,242,216)	16,521,742
Interest Earnings	4,712,006	8,546,744	8,546,756	451,527	8,998,283
Other Revenue	422,744	644,408	644,408	133,433	777,841
	20,311,373	41,538,407	41,538,419	(2,654,872)	38,883,547
Expenses					
Employee Costs	(35,822,176)	(71,299,429)	(71,299,570)	(516,066)	(71,815,636)
Materials & Contracts	(23,751,401)	(55,557,400)	(55,487,274)	2,028,349	(53,458,925)
Utility Charges	(4,121,870)	(8,852,923)	(8,852,923)	(42,226)	(8,895,149)
Depreciation	(20,620,094)	(40,054,948)	(40,054,963)	(469,830)	(40,524,793)
Interest Expenses	(2,061,518)	(4,614,682)	(4,614,684)	0	(4,614,684)
Insurance	(729,498)	(1,584,844)	(1,584,844)	0	(1,584,844)
	(87,106,557)	(181,964,226)	(181,894,258)	1,000,227	(180,894,031)
Non-Cash Amounts Excluded					
Depreciation	20,620,094	40,054,948	40,054,963	469,830	40,524,793
	(46,175,090)	(100,370,871)	(100,300,876)	(1,184,815)	(101,485,691)
INVESTING ACTIVITIES					
Non Operating Grants, Subsidies & Contributions	9,039,494	20,929,857	18,792,669	(1,699,445)	17,093,224
Contributed Physical Assets	20,147,768	50,000,000	50,000,000	10,000,000	60,000,000
Profit on Asset Disposals	1,070,703	3,806,662	3,806,662	(1,473,329)	2,333,333
Loss on Assets Disposals	(111,456)	(500,000)	(500,000)	0	(500,000)
Town Planning Scheme Revenues	8,839,427	22,569,911	22,569,911	(2,704,939)	19,864,972
Town Planning Scheme Expenses	(4,377,592)	(18,600,500)	(18,600,500)	1,204,742	(17,395,758)
Capital Expenditure	(27,714,350)	(92,428,387)	(94,377,561)	14,100,987	(80,276,574)
Proceeds From Disposal Of Assets	696,827	5,481,043	5,481,043	(2,400,000)	3,081,043
	7,590,821	(8,741,414)	(12,827,776)	17,028,016	4,200,240
Non-Cash Amounts Excluded					
Contributed Physical Assets	(20,147,768)	(50,000,000)	(50,000,000)	(10,000,000)	(60,000,000)
Profit on Asset Disposals	(1,070,703)	(3,806,662)	(3,806,662)	1,473,329	(2,333,333)
Loss on Assets Disposals	111,456	500,000	500,000	0	500,000
	(21,107,015)	(53,306,662)	(53,306,662)	(8,526,671)	(61,833,333)
	(13,516,194)	(62,048,076)	(66,134,438)	8,501,345	(57,633,093)
FINANCING ACTIVITIES					
Contributions from New Loans	3,100,000	11,100,000	11,100,000	(3,589,384)	7,510,616
Transfers from Restricted Grants, Contributions & Loans	602,483	510,838	530,404	(581,424)	(51,020)
Transfers to Restricted Grants, Contributions & Loans	(2,144,734)	0	0	0	0
Transfers from Reserves	13,283,436	37,681,298	39,018,073	(3,652,448)	35,365,625
Transfers to Reserves	0	(25,761,433)	(23,101,407)	(909,762)	(24,011,169)
Transfers from Schemes	4,500,770	19,330,500	19,330,500	(1,690,754)	17,639,746
Transfers to Schemes	(8,839,427)	(22,569,911)	(22,569,911)	2,704,939	(19,864,972)
	10,502,527	20,291,292	24,307,659	(7,718,833)	16,588,826
BUDGET DEFICIENCY	(49,188,757)	(142,127,655)	(142,127,655)	(402,303)	(142,529,958)
Amount To Be Raised From Rates	(141,711,840)	(142,127,655)	(142,127,655)	(402,303)	(142,529,958)
Closing Surplus/(Deficit)	92,523,083	0	0	0	0