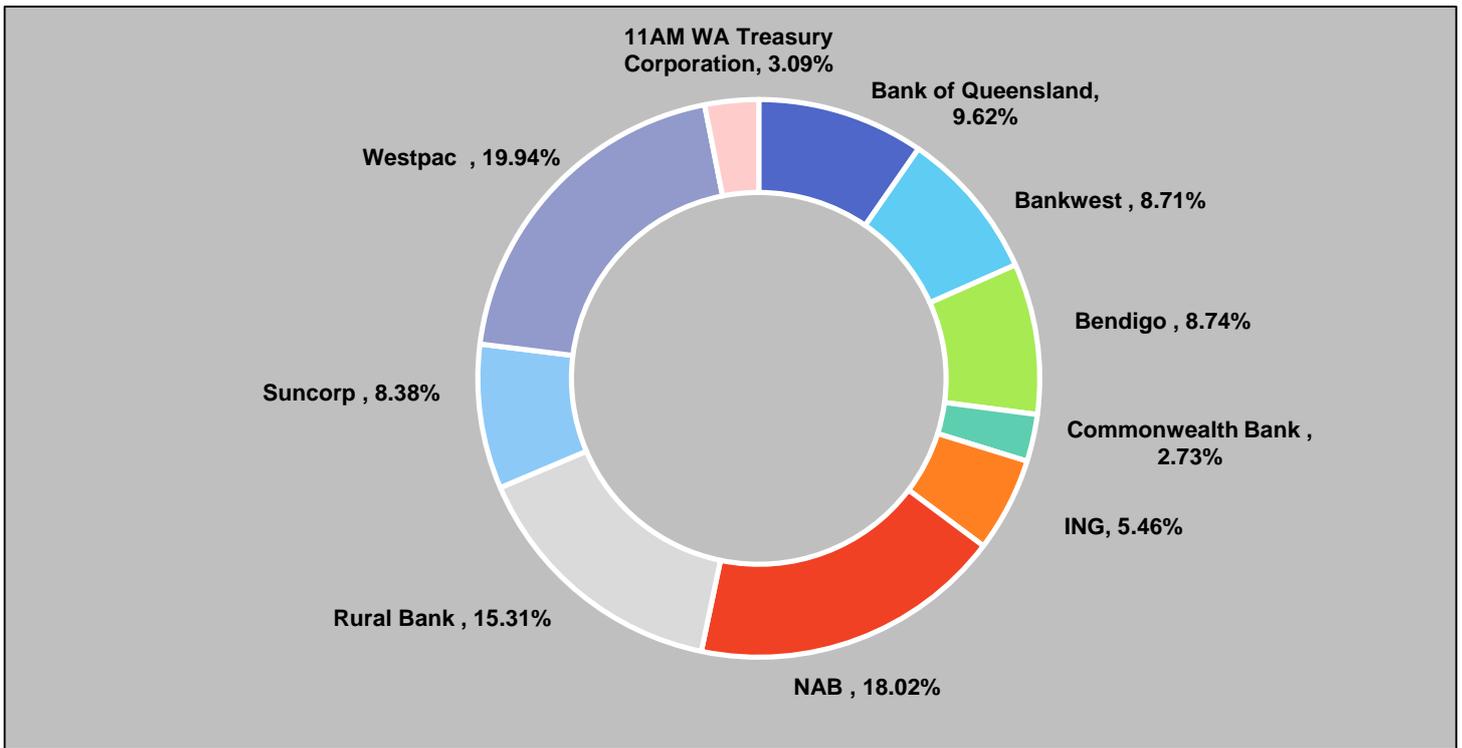


| | Notes | Revised Budget | YTD Revised Budget | YTD Actual | YTD Variance \$ | YTD Variance % |
|--|-------|----------------------|----------------------|----------------------|-------------------|----------------|
| OPERATING REVENUE | | | | | | |
| Rates | 1 | (100,765,907) | (100,765,907) | (100,894,931) | 129,024 | 0% |
| Specified Area Rates | | (568,048) | (568,048) | (567,080) | (968) | (0)% |
| Grants and Subsidies | 2 | (1,997,909) | (1,997,909) | (4,927,101) | 2,929,192 | 100% |
| Contributions Reimbursements and Donations | 3 | (1,079,459) | (1,079,459) | (1,390,683) | 311,224 | 29% |
| Profit on Asset Disposals | 4 | (274,549) | (274,549) | (759,818) | 485,269 | 100% |
| Fees and Charges | 5 | (41,465,320) | (41,465,320) | (41,568,588) | 103,268 | 0% |
| Interest Earnings | 6 | (4,404,877) | (4,404,877) | (4,604,849) | 199,972 | 5% |
| Other Revenue/Income | 7 | (1,041,989) | (1,041,989) | (1,114,050) | 72,061 | 7% |
| Total Operating Revenue | | (151,598,060) | (151,598,059) | (155,827,100) | 4,229,041 | 3% |
| OPERATING EXPENSES | | | | | | |
| Employee Costs | 8 | 64,751,318 | 64,751,318 | 63,846,113 | 905,205 | 1% |
| Materials and Contracts | 9 | 53,256,430 | 53,256,430 | 48,336,755 | 4,919,675 | 9% |
| Utilities (gas, electricity, water etc.) | 10 | 5,650,882 | 5,650,882 | 5,707,046 | (56,164) | (1)% |
| Depreciation & Amortisation of Non-Current Assets | 11 | 30,405,036 | 30,405,036 | 30,455,471 | (50,435) | (0)% |
| Loss on Asset Disposals | | 4,320,877 | 4,320,877 | 4,308,135 | 12,742 | 0% |
| Interest Expenses | | 478,506 | 478,506 | 478,486 | 20 | 0% |
| Insurance Expenses | | 1,395,342 | 1,395,342 | 1,417,346 | (22,004) | (2)% |
| Other Expenses | | 1,000 | 1,000 | 1,000 | - | 0% |
| Total Operating Expenses | | 160,259,390 | 160,259,390 | 154,550,352 | 5,709,038 | 4% |
| (SURPLUS)/DEFICIT FROM OPERATIONS | | 8,661,332 | 8,661,331 | (1,276,748) | 9,938,079 | (115)% |
| OPERATING NON-CASH ADJUSTMENTS | | | | | | |
| Depreciation & Amortisation of Non Current Assets | | (30,405,036) | (30,405,036) | (30,455,471) | 50,435 | 0% |
| Loss on Asset Disposal | | (4,320,877) | (4,320,877) | (4,308,135) | (12,742) | (0)% |
| Profit on Asset Disposals | | 274,549 | 274,549 | 759,818 | (485,269) | 100% |
| Other Non-Current items | | | | | | |
| Movement in Non-current Items | 12 | (100,000) | (100,000) | 316,467 | (416,467) | (100)% |
| OPERATING CASH (SURPLUS)/DEFICIT | | (25,890,032) | (25,890,032) | (34,964,069) | 9,074,037 | 35% |
| NON-OPERATING REVENUE | | | | | | |
| Capital Grants and Subsidies | 13 | (7,091,018) | (7,091,018) | (6,265,756) | (825,262) | (12)% |
| Capital Contributions | 14 | (547,439) | (547,439) | (798,359) | 250,920 | 46% |
| Equity Distribution - TPRC | | (666,667) | (666,667) | (666,667) | - | 0% |
| Equity Investments | 15 | (6,300) | (6,300) | (102,448) | 96,148 | 100% |
| Total Non-Operating Revenue | | (8,311,424) | (8,311,424) | (7,833,229) | (478,194) | (6)% |
| CAPITAL EXPENDITURE | | | | | | |
| Capital Projects | 16 | 7,727,679 | 7,727,679 | 5,892,227 | 1,835,452 | 24% |
| Capital Works | 17 | 33,822,205 | 33,822,205 | 24,110,858 | 9,711,347 | 29% |
| Vehicle and Plant Replacements | 18 | 2,685,299 | 2,685,299 | 1,562,300 | 1,122,999 | 42% |
| Loan Repayment Principal | | 3,201,862 | 3,201,862 | 3,201,863 | (1) | (0)% |
| Total Capital Expenditure | | 47,437,046 | 47,437,046 | 34,767,248 | 12,669,798 | 27% |
| CAPITAL (SURPLUS)/DEFICIT | | 39,125,622 | 39,125,622 | 26,934,019 | 12,191,603 | 31% |
| (SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL | | 13,235,590 | 13,235,590 | (8,030,050) | 21,265,640 | (161)% |
| FUNDING | | | | | | |
| Proceeds from Disposal | 19 | (2,359,559) | (2,359,559) | (679,733) | (1,679,826) | (71)% |
| Loans - New Borrowings | | - | - | - | - | 0% |
| Transfer from Trust | | (1,930,000) | - | - | - | 0% |
| Transfer from Reserve | | (19,670,579) | - | - | - | 0% |
| Transfer to Reserve | | 9,113,389 | - | - | - | 0% |
| Transfer to Accumulated Surplus | | - | - | - | - | 0% |
| Transfer from Accumulated Surplus | | - | - | - | - | 0% |
| Opening Funds | | (4,428,425) | (4,428,425) | (4,428,425) | - | 0% |
| CLOSING FUNDS | 20 | (6,039,584) | 6,447,606 | (13,138,208) | 19,585,814 | (100)% |

INVESTMENT SUMMARY

June-19

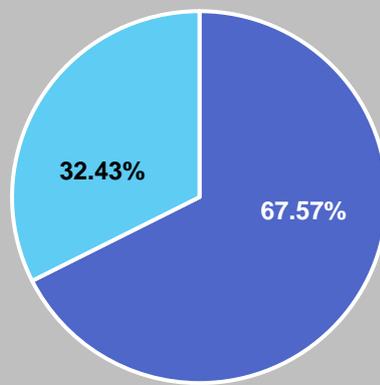


| | | | |
|-----------------|----------------------|------------|-------|
| Municipal Funds | \$109,930,000 | YTD Return | 2.71% |
| Reserve Funds | \$0 | Benchmark | 2.00% |
| | <u>\$109,930,000</u> | RBA Rate | 1.25% |

| Investment Policy Limits | | | | | |
|---------------------------------|------------------|--------------|------------|------------------|--------------|
| | <u>LT Rating</u> | <u>Limit</u> | | <u>LT Rating</u> | <u>Limit</u> |
| Bank of Queensland | A-* | 10% | NAB | AA- | 25% |
| Bankwest | AA- | 25% | Rural Bank | A-* | 10% |
| Bendigo | A-* | 10% | Suncorp | A+ | 15% |
| Commonwealth Bank | AA- | 25% | Westpac | AA- | 25% |
| ING | A+ | 15% | 11AM WATC | AA+ | 25% |

*S&P Long Term Rating BBB, Based on the investment policy the Long Term Rating Used is (A-) Based on Moody's and Fitch Rating

Fossil Fuel Vs Non Fossil Fuel Investment *



■ Fossil Fuel ■ Non Fossil Fuel

*Based on Market Forces ratings (<http://marketforces.org.au/>)

NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 30 JUNE 2019 (Subject to end of year finalisation)

1. Rates \$129,024

Rates income is slightly higher than budget predominantly arising from higher interim rates levied than anticipated for the year.

2. Grants and Subsidies \$2,929,192

A favourable timing variance arose from advance receipt of 2019/20 Federal General Purpose (WALGGC) Grant \$1,660,654 and 2019/20 Federal Assistance (FLRG) Grant \$1,225,765. In addition, favourable variances arose for Other State Operating Grants and Subsidies \$37,088 and Other Operating Grants and Subsidies \$5,685.

3. Contributions, Reimbursements and Donations \$311,224

This favourable variance arose mainly from Other Miscellaneous Reimbursements \$185,295 mainly from the Water Corporation for the reinstatement of irrigation and turf at parks, Contributions \$100,182 mainly for the Public Transport Authority contributions to illuminated advertising bus shelters, Insurance \$25,523, Recoverable Legal Fees \$17,374 and Advertising \$8,486, partially offset by unfavourable variances for Utility Charges (\$14,548) and Reinstatement of Works (\$10,467).

4. Profit on Asset Disposals \$485,269

This favourable variance arose from the disposal of surplus land holdings and profit on sale of land at Tamala Park \$468,322 and for the disposal of replaced Vehicles, Plant and Equipment \$16,947.

5. Fees and Charges \$103,268

| | YTD Budget | YTD Actual | Variance |
|-----------------------------|---------------------|---------------------|------------------|
| a) Licenses & Registrations | \$708,214 | \$797,551 | \$89,337 |
| b) Fines & Penalties | \$1,497,931 | \$1,559,545 | \$61,614 |
| c) Parking Fees | \$3,211,000 | \$3,123,860 | (\$87,140) |
| d) Other Fees & Charges | \$36,048,175 | \$36,087,632 | \$39,457 |
| | <u>\$41,465,320</u> | <u>\$41,568,588</u> | <u>\$103,268</u> |

a) This favourable variance arose predominantly from Dog Registrations \$79,549 and Cat Registrations \$14,828.

| |
|-----------------------|
| Favourable Variance |
| Unfavourable Variance |

- b) Favourable variances arose mainly from Suburban Parking Infringements \$64,798, Dog Act Costs and Fines \$28,084 and Local Government Act Costs and Fines \$22,841, partially offset by unfavourable variances for Poundage Fees (\$21,320), Parking Infringements (\$19,139) and Library Fines and Penalties (\$13,324).
- c) Unfavourable variances arose from Multi Storey Car Park Fees (\$43,146), Off Street Parking Fees (\$52,995) and Private Property Agreements Annual Fee (\$9,412), partially offset by a favourable variance for On Street Parking Fees \$18,413.
- d) Favourable variances arose from Sports and Recreation Fees \$46,998, Hire and Rentals \$30,999 and Other Fees and Charges \$28,611 partially offset by unfavourable variances for Refuse Charges (\$47,921), Inspection and Control Fees (\$18,385) and Building and Development Fees (\$844).

6. Interest Earnings

\$199,972

This favourable variance arose from interest earned on investments exceeding budget by \$182,634 due to higher volumes invested and better than expected returns for the year as well as Rates Penalty Interest \$16,602.

7. Other Revenue

\$72,061

This favourable variance arose mainly from a credit adjustment of \$45,648 due to stale cheques being written off as a result of non-presentation. In addition, favourable variances arose from Rebates Received \$37,389 for rebates received from LGIS Scheme dividends during the year and Discounts Received \$10,347. This is partially offset by an unfavourable variance for Bus Shelter Illuminated Advertising (\$28,347).

8. Employee Costs

\$905,205

| | YTD Revised Budget | YTD Actual | Variance |
|---------------------------|-----------------------|---------------------|------------------|
| a) Salaries and Wages | \$61,981,824 | \$61,214,591 | \$767,233 |
| b) Other Employment Costs | \$2,769,494 | \$2,631,522 | \$137,972 |
| | <u>\$64,751,318</u> | <u>\$63,846,113</u> | <u>\$905,205</u> |

- a) A favourable variance arose for Salaries and Wages in various areas including Parks \$168,521, Environmental Development \$136,212, Engineering Maintenance \$114,898, Planning Approvals \$111,161, Urban Design and Policy \$75,186, Governance and Strategy \$72,326, Organisational Development Administration \$56,100, Planning and Community Development \$50,798, Building Services \$50,480, Purchasing and Contracts \$46,546, Governance Support \$45,648, Executive and Risk Services \$44,912, Customer Service \$44,488 and Civil Design and Construction \$40,832 mainly due to vacant positions. The balances of variances are spread across a number of areas.

Favourable Variance
Unfavourable Variance

- b) Favourable variances arose for Other Employment Costs \$147,682, Labour Recovery - Capital Works \$93,258, Staff Training \$24,426, Conferences and Seminars \$19,860 and Employee Support Services \$15,681, partially offset by an unfavourable variance for Agency Employees (\$163,805) covering vacant positions.

9. Materials and Contracts

\$4,919,675

| | YTD Revised Budget | YTD Actual | Variance |
|---|-----------------------|---------------------|--------------------|
| a) Professional Fees and Costs | \$3,245,042 | \$2,773,224 | \$471,818 |
| b) Public Relations, Advertising & Promotions | \$1,509,711 | \$1,146,741 | \$362,970 |
| c) Computing | \$1,974,361 | \$1,776,940 | \$197,421 |
| d) Administration | \$1,806,679 | \$1,115,360 | \$691,319 |
| e) Furniture, Equipment & Artworks | \$2,691,733 | \$2,530,527 | \$161,206 |
| f) Contributions & Donations | \$2,135,354 | \$2,015,046 | \$120,308 |
| g) External Service Expenses | \$24,334,401 | \$21,838,131 | \$2,496,270 |
| h) Telephones & Communication | \$917,628 | \$821,349 | \$96,279 |
| i) Charges and Recoveries | (\$285,422) | (\$483,977) | \$198,555 |
| j) Members Costs | \$753,701 | \$676,957 | \$76,744 |
| k) Accommodation & Property | \$1,599,864 | \$1,405,428 | \$194,436 |
| l) Other Building Materials | \$2,546,258 | \$2,459,850 | \$86,408 |
| m) Waste Management Services | \$7,198,623 | \$7,398,627 | (\$200,004) |
| Other Expenses | \$2,828,497 | \$2,862,552 | (\$34,055) |
| | <u>\$53,256,430</u> | <u>\$48,336,755</u> | <u>\$4,919,675</u> |

- a) Favourable variances arose mainly for Consultancy \$446,059 which is expected to be carried forward to the next financial year, Lodgement Fees \$25,855, Recoverable Legal Expenses \$24,274, Licence Searches \$23,291, Auction Fees \$16,900 and Research \$10,600, partially offset by unfavourable variances for Legal Expenses (\$53,599) and Valuation Fees (\$20,572).
- b) This favourable variance was predominantly due to Promotions for the Waste Management Better Bins Project \$169,058, General Advertising \$115,481, Signage \$32,355, Catering \$22,510, Public and Statutory Advertising \$15,405 and Bar Stocks \$14,063.
- c) This includes favourable variances for Computer Software Maintenance \$107,570, Data Communication Links \$48,245, Computer Software Licences \$30,664 and Internet Provider Costs \$27,379, partially offset by an unfavourable variance for Computer Software Subscriptions (\$21,447).
- d) This favourable variance arose predominantly from Sundry Administration Expenses \$553,542 which includes funds for security reviews that will be carried forward into the next financial year, Printing \$52,078, Interstate Conferences \$29,233, Photography and Video Production \$25,657 and Stationery \$24,757. The balances of variances are spread across a number of areas.
- e) Favourable variances arose mainly from Plant and Equipment Purchases – Minor \$48,609, Computer and Communications Equipment Purchases – Minor \$38,940, Hire of Equipment \$21,719, Furniture and Office Equipment Purchases – Minor \$20,720 and Plant and Equipment Maintenance and Repair \$14,407.

Favourable Variance

Unfavourable Variance

- f) Favourable variances arose mainly from Community Funding Program \$49,044, Sponsorship \$33,679, Donations \$17,923 and Prizes and Trophies \$15,658.
- g) This favourable variance mainly arose from External Contractors and Services \$1,443,816 of which \$515,600 relates to Yellagonga Wetlands – Smart Monitoring Program which is expected to be carried forward to the following year and \$801,592 relates to CEO Administration of which a significant part is expected to be carried forward to be spent in the next financial year. In addition, a favourable variance arose for General Waste Tipping Fees \$931,259. The balances of variances are spread across a number of areas.
- h) This favourable variance predominantly arose from Postage, Courier and Freight Services \$59,428 and Office Telephone and Faxes \$48,849, partially offset by an unfavourable timing variance for Mobile Phones, Pagers and Radios (\$18,185).
- i) This favourable variance arose mainly from Operational Overhead Recoveries \$145,779, Plant and Vehicle Expenses \$31,157 and Capital Overhead Recoveries \$21,618.
- j) Favourable variances arose mainly from Elected Members Training and Conference Expenses \$63,693 and Expenses Reimbursements for Elected Members \$12,001.
- k) This favourable variance arose mainly from Refuse Removal Charges \$181,727, Rental and Outgoings \$8,049 and Security \$4,595.
- l) This favourable variance arose predominantly from Materials – Building Minor Works \$271,580, partially offset by an unfavourable variance for External Material Purchases – Contract (\$193,410).
- m) Unfavourable variances arose from Bulk Hard Waste Collection and Processing (\$143,434), Bulk Green Waste Collection and Processing (\$93,360) and General Waste Collection (\$11,470), partially offset by favourable variances for Weekend Greens \$19,449, Domestic Green Waste Collection and Processing \$16,727 and Recycling Waste Collection and Processing \$6,251.

10. Utilities

(\$56,164)

Unfavourable variances arose mainly from Electricity costs for Parks (\$105,697), and Asset Management Administration (\$52,019), partially offset by a favourable variance for Electricity Costs for Lighting \$96,655. The balances of the variances are spread across a number of areas.

11. Depreciation & Amortisation of Non-Current Assets

(\$50,345)

This unfavourable variance arose predominantly for Impairment / Write Off of Assets (\$689,153) mainly arising from revaluation of inventories and assets at 30 June 2019. In addition, unfavourable variances arose for Depreciation – Mobile and Other Plant (\$44,087) and Depreciation – Computer Software (\$42,371). This is partially offset by favourable variances for Depreciation – Open Reserves \$374,790, Depreciation – Buildings \$174,057, Depreciation - Roads Infrastructure \$63,311, Depreciation – Lighting \$50,623, Depreciation – Computer and Communications Hardware \$42,371 and Depreciation – Footpaths Infrastructure \$22,649. The balances of the variances are spread across a number of areas.

| |
|-----------------------|
| Favourable Variance |
| Unfavourable Variance |

12. Movement in Non-Current Items (\$416,467)

This variance arose mainly in respect of a decrease in Non-current Long Service Leave Liability \$220,483 and a decrease in ESL Deferred Rates \$95,988.

13. Capital Grants and Subsidies (\$825,262)

| | YTD Revised Budget | YTD Actual | Variance |
|--|-----------------------|--------------------|--------------------|
| a) State Government – Main Roads Grant | \$1,953,375 | \$1,396,095 | (\$557,280) |
| b) State Government – Black Spot Program | \$728,026 | \$537,647 | (\$190,379) |
| c) Other Grants & Subsidies – Non-Government | \$1,389,552 | \$1,912,751 | \$795,927 |
| d) Commonwealth Grants - Other | \$210,400 | \$56,136 | (\$154,264) |
| e) State Government Grants - Other | \$1,193,266 | \$474,000 | (\$719,266) |
| Other Grants | \$1,616,399 | \$1,616,399 | - |
| | <u>\$7,091,018</u> | <u>\$6,265,756</u> | <u>(\$825,262)</u> |

- a) Unfavourable timing variances arose across the program due to completed projects awaiting final claims including Davalia Road – Granadilla Street to Beach Road (\$32,000), Gibson Avenue - Rudall Way (North) to Hepburn Avenue (\$21,533), Blackall Drive – Allenswood Road to Hartley Court (\$11,680), Gibson Avenue – Livingstone Way to Livingstone Way (\$7,107), Gibson Avenue - Livingstone Way to Whitfords Avenue (\$4,013). Unfavourable variances occurred on two incomplete projects, which are due to be received in 2019/20: Arnisdale Road - Glengarry Drive to Merrick Way (\$31,653) and Joondalup Drive – City Boundary Westbound (\$384,000) which is being delivered by Main Roads contractor in conjunction with road improvement works at Joondalup Drive – Burns Beach Road and Wanneroo Road Intersection Upgrades.
- b) Unfavourable timing variances arose for Warwick Road and Allenswood Drive (\$24,000) and Hepburn Ave Road Shoulders (\$56,000) which are due to be received in 2019/20. In addition, unfavourable variances occurred for Grand Boulevard & Shenton Avenue (\$36,000) which has been submitted for final payment and Marmion Avenue and Gilbert Road (\$108,000) which has been delayed due to an increase in scope and costs for necessary relocation of two Western Power poles. The City has re-submitted the grant application for additional funds to Main Roads and is awaiting the outcome before commencing construction. This is partially offset by a favourable timing variance that arose from a progress payment received for Whitfords Avenue and Trappers Drive \$32,621.
- c) Due to projects being carried forward an unfavourable timing variance occurred for Heritage Precinct Development (\$120,000) which is offset by an unbudgeted Community Sport and Infrastructure Grant of \$500,000 divided between Whitfords Nodes Lookout Stairway \$274,451 and Playspace Renewal \$225,549 as part of the Whitfords Nodes Health and Wellbeing Hub Upgrades. In addition, unbudgeted grants were received from Community Sport and Infrastructure Grant for Kingsley

| |
|-----------------------|
| Favourable Variance |
| Unfavourable Variance |

Park Floodlighting Upgrade \$166,500, the West Australian Cricket Association for wicket upgrades at Juniper Park \$13,500 and the Department of Transport to deliver Hillary's Animal Beach Shared Path \$90,000. A favourable timing variance also arose from the Stronger Communities Grant of \$20,000 received for Percy Doyle – Sorrento Bowling Clubrooms upgrades.

- d) An unfavourable variance arose for delayed project Yellagonga Wetlands – Smart Monitoring and Management (\$196,264) partially offset by a favourable variance for Tennis Court Resurfacing Program from an unbudgeted grant of \$42,000 received from an Australian Sports Grant for Warwick Tennis Court Upgrades.
- e) Unfavourable timing variances arose for incomplete projects Whitfords Nodes Playspace Renewal (\$669,266) and Outdoor Gym Equipment Installation (\$50,000) which will be completed in 2019/20. This is partially offset by a favourable variance for \$120,000 received for nature play at Blackthorn Park as part of the Parin Pioneer Park Development.

14. Capital Contributions

\$250,920

This favourable variance arose from an unbudgeted contribution received for Beach Road Shared Path \$150,750 and Hepburn Ave Road Shoulders \$163,421 to be carried forward to 2019/20, partially offset by unfavourable variances for Burns Beach to Mindarie Dual Use Path (\$50,000) due to project progress and (\$20,000) that arose as the result of a misallocation made in the 2018/19 Mid-Year Budget Review where a capital contribution reflected was actually a capital grant for the Sorrento Bowling Club Refurbishment project.

15. Equity Investments

\$96,148

A favourable variance arose from GST contributions from TPRC in respect of land sales undertaken \$56,619. This has arisen as a result of the new GST rules on property sales that commenced on 01 July 2018. In addition, a favourable variance arose from Reimbursement of Rates \$45,829, in respect of land at Tamala Park, from the City of Wanneroo.

16. Capital Projects

\$1,835,452

| | YTD Revised Budget | YTD Actual | Variance |
|--|-----------------------|--------------------|--------------------|
| a) Yellagonga Wetlands Smart Monitoring & Management | \$210,400 | - | \$210,400 |
| b) Joondalup Performing Arts & Cultural Facility | \$231,581 | \$74,397 | \$157,184 |
| c) Better Bins Project – 3 Bin System | \$5,800,000 | \$4,750,388 | \$1,049,612 |
| d) Information Technology Projects | \$376,000 | \$262,354 | \$113,646 |
| e) Public Art | \$194,628 | - | \$194,628 |
| Other Programs | \$915,070 | \$805,088 | \$109,982 |
| | <u>\$7,727,679</u> | <u>\$5,892,227</u> | <u>\$1,835,452</u> |

Favourable Variance

Unfavourable Variance

- a) A favourable timing variance arose for this project which has been delayed due to rescoping and is to be carried forward to 2019/20.
- b) Following Council's decision not to commence detailed design at this time, this favourable variance has arisen due to design review processes progressing behind schedule.
- c) A favourable variance arose for this project which is completed and awaiting final invoices.
- d) A favourable timing variance of \$60,000 arose for ordered items due to be delivered in 2019/20. The remaining variance of \$53,646 represents savings made.
- e) This favourable variance arose due to no project being identified and undertaken in 2018/19 within this multi-year program with the funding proposed to be carried forward to 2019/20 during which a review of the Public Art Program will be conducted as part of the Cultural Planning process to identify future works for funds to be allocated.

17. Capital Works

\$9,711,347

| | YTD Revised Budget | YTD Actual | Variance |
|--|-----------------------|---------------------|--------------------|
| a) Parks Equipment Program | \$2,766,029 | \$1,598,489 | \$1,167,540 |
| b) Street Lighting Program | \$4,783,285 | \$5,635,231 | (\$851,946) |
| c) Paths Program | \$3,686,010 | \$1,208,109 | \$2,477,901 |
| d) Foreshore & Natural Areas Management Program | \$890,773 | \$450,100 | \$440,673 |
| e) Major Projects Program | \$3,258,062 | \$1,065,404 | \$2,192,658 |
| f) Parking Facilities Program | \$473,802 | \$225,764 | \$248,038 |
| g) Major Road Construction Program | \$1,628,000 | \$300,163 | \$1,327,837 |
| h) Road Preservation Program | \$7,004,105 | \$6,308,650 | \$695,455 |
| i) Streetscape Enhancement Program | \$1,725,301 | \$1,414,570 | \$310,731 |
| j) Traffic Management Program | \$2,533,550 | \$1,639,710 | \$893,840 |
| k) Parks Development Program | \$2,083,179 | \$1,762,542 | \$320,637 |
| l) Major Building Capital Works Program | \$2,023,531 | \$1,675,610 | \$347,921 |
| m) Stormwater Drainage Program | \$916,578 | \$820,648 | \$95,930 |
| n) Bridges Program | \$50,000 | \$5,868 | \$44,132 |
| | <u>\$33,822,205</u> | <u>\$24,110,858</u> | <u>\$9,711,347</u> |

- a) Favourable timing variances arose for Whitfords Nodes Health and Wellbeing Hub \$1,060,133 which is currently awaiting quotations and Outdoor Gym Equipment Installation \$47,335 that is to be carried forward to 2019/20 to be delivered as part of the Whitfords Nodes Health and Wellbeing Hub project which is a multiyear project scheduled for completion in March 2020. In addition, a favourable variance arose for completed project Bollards and Fencing Renewal \$29,837.

| |
|-----------------------|
| Favourable Variance |
| Unfavourable Variance |

- b) This unfavourable timing variance is mainly due to Stage 3 Joondalup City Centre Lighting (\$925,571) due to the purchase of materials in advance for stage 3 of the project which will be completed in 2019/20 and Floodlight and Pole Replacement Program \$37,044 which had been carried forward into 2019/20.
- c) This favourable timing variance is mainly due to Burns Beach to Mindarie Dual Use Path \$2,591,570 for which the tender for construction was awarded by Council in May 2019 and is scheduled to commence in July 2019. In addition, an unfavourable variance has occurred for Beach Road (West) Shared Path (\$157,638) which is being carried forward into 2019/20 and is expected to be completed by the end of August.
- d) Favourable timing variances arose for Whitfords Nodes Lookout Stairway Design \$328,361 which is being carried forward to 2019/20 to align with the Whitfords Nodes Health and Wellbeing Hub Program. Projects completed with favourable variances include Bushland Reserve Paths Renewal Program \$58,125 and Conservation Reserves Interpretive Signage \$47,462.
- e) Favourable timing variances arose across the program due to the multiyear projects including Percy Doyle - Utilities Upgrade \$670,676, Joondalup Administration Building Major Refurbishment \$221,537, Craigie Leisure Centre Upgrades \$167,507, Chichester Park Clubrooms Redevelopment \$100,000, and Café's and Kiosks – Pinnaroo Point \$613,000 which is being carried forward into 2019/20. In addition, a favourable variance arose for completed project Penistone Park – Facility Redevelopment \$227,638.
- f) Favourable timing variances arose for Hillarys Animal Beach Parking Upgrades \$95,557 which is a multiyear project and Pinnaroo Point Parking Improvements \$143,802 which is being carried forward to 2019/20.
- g) The favourable timing variance for Major Road Construction Program is predominantly due to Burns Beach Road / Joondalup Drive Roundabout \$1,017,663 which is being delivered by Main Roads WA contractor in conjunction with the Joondalup Drive / Wanneroo Road Intersection project. Works were originally scheduled to commence January 2019 but have now been rescheduled by Main Roads WA for January 2020. A favourable timing variance also occurred for design of Warwick Road / Erindale Road Intersection Upgrades \$310,173 with construction scheduled in 2019/20.
- h) A favourable timing variance arose from Joondalup Drive – City Boundary Westbound \$106,343 to be carried forward to 2019/20. A number of projects were completed with favourable variances including Road Preservation Program \$103,040, Braden Way \$103,003, Weldwood Road \$72,254, Oliver Street \$48,958, Windward Loop \$42,621, Blackall Drive – Allenswood \$39,363 and The Rise \$33,136 due to less materials being required to complete the resurfacing. Unfavourable variances include Road Preservation Program (\$147,536), Arnisdale Road – Glengarry Drive to Merrick Way (\$91,644), Forest Hill Drive (\$41,240) and Gibson Avenue – Livingstone Way to Livingstone Way (\$24,309) which required larger amounts of materials than originally estimated.
- i) Streetscape Enhancement Program favourable timing variance is mainly due to the City Centre Streetscape Renewal Program \$109,460, Leafy City Program \$124,906 and Streetscape Enhancement Program \$51,404 due to projects progress. These projects are to be carried forward into the next financial year. Arterial Roads

Favourable Variance

Unfavourable Variance

Streetscape was completed with a favourable variance totalling \$24,961 due to savings on Hepburn Avenue - Marmion Avenue.

- j) A favourable timing variance arose for Marmion Avenue and Gilbert Road \$257,807, which is delayed due to the grant application having to be re-submitted to Main Roads for an increase in scope and costs necessary for relocation of two Western Power poles and is therefore being carried forward into 2019/20. In addition, a favourable variance arose for Marmion Avenue / Edinburgh Road Crossing \$330,938 which had to be delayed until March 2020 due to design and approval delays causing the project to be carried forward into 2019/20. Grand Boulevard and Shenton Avenue has been completed with a favourable variance of \$32,383. Three multiyear projects have favourable variances including Marmion Avenue / Readshaw Road Intersection Upgrade \$124,540, Boas Avenue / McLarty Drive Intersection Upgrade \$49,748 and Chessell Drive Road Improvements \$99,860 due to projects progress. This is partially offset by unfavourable variance for Hepburn Avenue Road Shoulders (\$74,338) which is 95% complete and awaiting line marking and is being carried forward into 2019/20.
- k) Projects expected to be carried forward into 2019/20 with favourable variances include \$71,586 Juniper Park Landscape Master Plan which is 95% complete and waiting final invoices and Dog Exercise Park Development \$124,964 which is progressing with construction commenced. In addition, favourable timing variances arose for the Heritage Precinct Development \$163,349 which is a multiyear project with the Heritage Walk preliminary investigations 5% completed at the end of June. Park Amenity Renewal was completed with an unfavourable variance of \$43,215 due to additional landscaping works at George Sears Park.
- l) Major Building Capital Works variance of \$347,921 is mainly related to Duffy House Restoration totalling \$259,285 due to project progress expected to continue in 2019/20 and multiyear project Falkland Park Extension \$7,155. In addition, all other projects have been completed with a favourable variance of \$41,304 at Windemere Park Clubrooms due to savings made on the Floodlighting.
- m) This favourable timing variance arose mainly from Northshore Avenue Sump Renewal Works \$83,276 which was delayed due to rain and is expected to be completed in July, Stormwater Drainage Upgrades (\$17,142) mainly relating to works at Kurranjong Place and multiyear project Princeville Tor Catchments \$35,533 which is in design phase. These projects to be carried forward to 2019/20.
- n) A favourable variance arose from Bridges Program \$44,132 which is completed.

18. Vehicle and Plant Replacements

\$1,122,999

This favourable variance for Fleet and Plant purchases arises mainly from deferral of vehicle and plant replacements, change in scope and savings achieved across the program.

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| Favourable Variance |
| Unfavourable Variance |

19. Proceeds from Disposal
(\$1,679,826)

An unfavourable variance of (\$1,524,940) arose due to sale of land at Lot 12223 Blackwattle Parade, Padbury not progressing in the 2018/19 financial period, now expected to be sold in 2019/20. In addition, an unfavourable variance arose from Fleet and Plant disposals (\$154,886) due to replaced vehicles currently awaiting sale and deferral of some vehicles and plant replacements to 2019/20.

20. Closing Funds
\$19,585,814

| | June 2018 | June 2019 |
|---|----------------------|----------------------|
| Current Assets | | |
| Cash and Investments | \$100,085,669 | \$110,223,061 |
| Rates Outstanding, Sundry Debtors and Other Receivables | \$3,026,090 | \$4,935,835 |
| Accrued Income | \$1,208,522 | \$1,437,933 |
| Prepayments | \$687,023 | \$475,123 |
| Inventories | \$188,284 | \$154,993 |
| Total Current Assets | \$105,195,588 | \$117,226,945 |
| Current Liabilities | | |
| Trade Creditors | \$4,522,569 | \$4,911,992 |
| Sundry Payables | \$610,874 | \$1,466,276 |
| Accrued Expenses | \$5,116,012 | \$5,512,097 |
| Other Payables | \$2,305,685 | \$2,453,843 |
| Borrowings | \$3,201,862 | \$3,324,328 |
| Provision for Annual Leave | \$4,497,672 | \$4,644,369 |
| Provision for Long Service Leave | \$5,855,900 | \$6,285,252 |
| Provision for Workers Compensation Insurance | \$2,503,467 | \$3,474,135 |
| Provision for Sick Leave | \$1,006,450 | \$994,195 |
| Other Provisions | \$196,914 | \$194,957 |
| Total Current Liabilities | \$29,817,405 | \$33,261,444 |
| Net Current Assets | \$75,378,183 | \$83,965,501 |
| Add back: Borrowings | \$3,201,862 | \$3,324,328 |
| Less: Cash Backed Reserves | \$74,151,621 | \$74,151,621 |
| Closing Funds – Surplus/(Deficit) | \$4,428,425 | \$13,138,208 |

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| Favourable Variance |
| Unfavourable Variance |