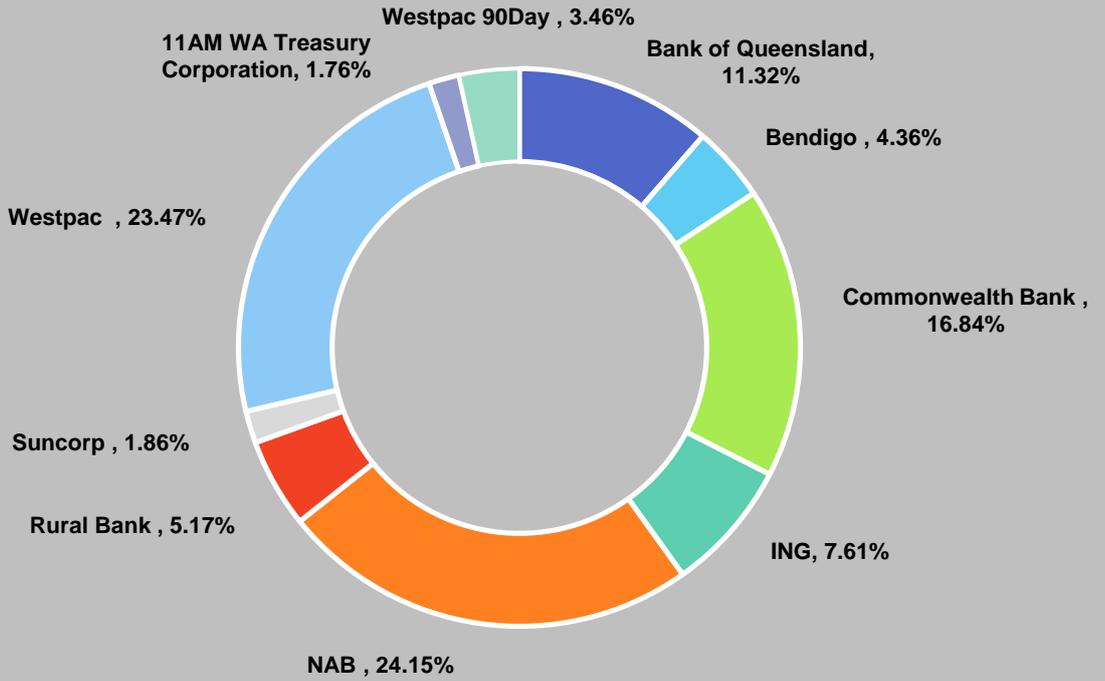


	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(98,078,153)	(97,963,379)	(98,168,588)	205,209	0%
Specified Area Rates		(705,776)	(705,776)	(708,520)	2,744	0%
Grants and Subsidies	2	(5,880,451)	(1,421,863)	(843,615)	(578,248)	(41)%
Contributions Reimbursements and Donations	3	(1,070,156)	(331,806)	(426,345)	94,539	28%
Profit on Asset Disposals	4	(98,529)	(30,558)	(610,434)	579,876	100%
Fees and Charges	5	(40,020,382)	(28,262,960)	(28,615,504)	352,544	1%
Interest Earnings	6	(1,105,049)	(383,146)	(653,461)	270,315	71%
Other Revenue/Income	7	(551,191)	(282,241)	(203,922)	(78,319)	(28)%
Total Operating Revenue		(147,509,687)	(129,381,728)	(130,230,389)	848,661	1%
OPERATING EXPENSES						
Employee Costs	8	64,094,975	22,744,680	21,367,760	1,376,920	6%
Materials and Contracts	9	52,096,994	16,901,176	14,051,850	2,849,326	17%
Utilities (gas, electricity, water etc.)	10	6,114,625	2,008,232	1,721,357	286,875	14%
Depreciation & Amortisation of Non-Current Assets	11	32,308,300	10,730,722	10,351,227	379,495	4%
Loss on Asset Disposals	12	282,114	70,066	66,633	3,433	5%
Interest Expenses		384,877	121,895	122,437	(542)	(0)%
Insurance Expenses		1,430,948	1,417,162	1,445,943	(28,781)	(2)%
Total Operating Expenses		156,712,833	53,993,932	49,127,207	4,866,726	9%
(SURPLUS)/DEFICIT FROM OPERATIONS		9,203,146	(75,387,796)	(81,103,182)	5,715,387	8%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(32,308,300)	(10,730,722)	(10,351,227)	(379,495)	(4)%
Loss on Asset Disposal		(282,114)	(70,066)	(66,633)	(3,433)	(5)%
Profit on Asset Disposals		98,529	30,558	610,434	(579,876)	(100)%
Other Non-Current items						
Movement in Non-current Items	13	(100,000)	(100,000)	(168)	(99,832)	(100)%
OPERATING CASH (SURPLUS)/DEFICIT		(23,388,738)	(86,258,025)	(90,910,775)	4,652,751	5%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	14	(9,972,599)	(3,648,696)	(4,022,796)	374,100	10%
Capital Contributions	15	(730,000)	(730,000)	(2,818)	(727,182)	(100)%
Other Non-Operating Revenue	16	(500,000)	-	(85,158)	85,158	100%
Total Non-Operating Revenue		(11,202,599)	(4,378,696)	(4,110,772)	(267,924)	100%
CAPITAL EXPENDITURE						
Capital Projects	16	1,752,599	728,002	644,125	83,878	12%
Capital Works	17	44,091,770	8,731,632	6,987,849	1,743,783	20%
Vehicle and Plant Replacements	18	2,567,500	519,500	172,824	346,676	67%
Total Capital Expenditure		48,411,869	9,979,134	7,804,798	2,174,336	22%
CAPITAL (SURPLUS)/DEFICIT		37,209,269	5,600,438	3,694,025	1,906,412	34%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		13,820,531	(80,657,587)	(87,216,750)	6,559,163	8%
FUNDING						
Proceeds from Disposal	19	(1,851,050)	(87,500)	(1,676,744)	1,589,244	1816%
Loans - New Borrowings		-	-	-	-	0%
Loans - Repayment of Principal		2,445,662	842,789	842,789	-	0%
Transfer from Trust		(297,158)	-	-	-	0%
Transfer from Reserve		(26,602,761)	-	-	-	0%
Transfer to Reserve		24,795,823	-	-	-	0%
Transfer to Accumulated Surplus		-	-	-	-	0%
Opening Funds	20	(17,321,507)	(17,321,507)	-	(17,321,507)	(100)%
CLOSING FUNDS	21	(5,010,460)	(97,223,805)	(88,050,704)	(9,173,100)	(9)%

INVESTMENT SUMMARY

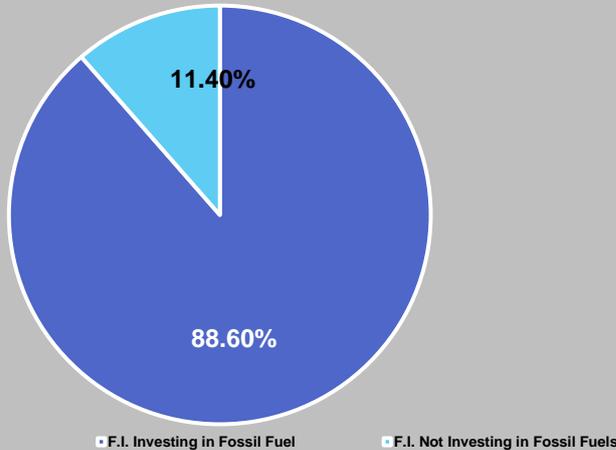


Municipal Funds	\$43,128,372	YTD Return	0.92%
Reserve Funds	\$78,906,628	Benchmark	1.50%
	<u>\$122,035,000</u>	RBA Rate	0.25%

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%
Bendigo	A-*	25%	Rural Bank	A-*	10%
Commonwealth Bank	AA-	10%	Suncorp	A+	15%
ING	A+	25%	Westpac	AA-	25%
			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

Financial Institutions (FI) Investing Vs Not Investing in Fossil Fuels*



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

NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020 (Subject to finalisation of 2019/20 End of Year)

1. Rates \$205,209

A favourable variance arose mainly due to higher Interim Rates \$224,429 than estimated.

2. Grants and Subsidies (\$578,248)

This unfavourable timing variance arose due to advanced payments of Federal General Purpose (WALGGC) Grant (\$436,679) and Federal Road (FLRG) Grant (\$311,822) received in the previous financial year, partially offset by a favourable variance from the timing of the DFES Operating Grant \$133,369.

3. Contributions and Donations \$94,539

This favourable variance arose mainly from Other Miscellaneous Reimbursements – Waste Management Services \$145,631 following reimbursement from Cleanaway due to additional costs following the large fire at Cleanaway Materials Recovery Facility in Guildford in 2019/20. This favourable variance was partially offset by an unfavourable variance from Traffic Engineering Contributions (\$21,050).

4. Profit on Asset Disposal \$579,876

This favourable timing variance mainly arose due to the timing of the disposal of surplus land holdings and profit on sale of land at Tamala Park \$551,937.

5. Fees and Charges \$352,544

	YTD Budget	YTD Actual	Variance
a) Sports and Recreation	\$2,596,404	\$3,198,603	\$602,199
b) Building and Development	\$559,000	\$800,244	\$241,244
c) Refuse Charges	\$20,671,714	\$20,823,364	\$151,650
d) Licenses and Registrations	\$217,471	\$307,930	\$90,459
e) Inspection and Control fees	\$884,722	\$965,581	\$80,859
f) Fines & Penalties	\$522,475	\$196,405	(\$326,070)
g) Parking Fees	\$1,293,518	\$1,038,795	(\$254,723)
Other Fees & Charges	\$1,517,656	\$1,284,582	(\$233,074)
	<u>\$28,262,960</u>	<u>\$28,615,504</u>	<u>\$352,544</u>



- a) Favourable variance arose from Learn to Swim Program of \$227,927, Craigie Membership Fees of \$158,029, Craigie Admission Fees of \$98,394 and Craigie Court Sport Revenue of \$69,574.
- b) Favourable variance arose from Development Application Fees \$144,762 and Building Licenses \$65,463.
- c) Favourable variances arose from Waste Refuse Service Charges of \$89,127 and Additional Service Charge for 240L General Waste Bin of \$48,237.
- d) Favourable variances arose mainly from Dog/Cat Registration Fees \$38,480 and Food Business Administration Fees \$30,777.
- e) Favourable variance arose mainly from Environmental Health Inspection Fees \$76,290.
- f) Unfavourable variance arose mainly from Parking Infringements (\$264,363) and Suburban Parking Infringements (\$44,628).
- g) Unfavourable variance mainly arose from Multi Storey Car Park Parking Fees (\$112,877), On Street Parking Fees (\$82,416) and Off Street Parking Fees (\$57,056).

6. Interest Earnings \$270,315

A favourable timing variance arose from Interest on Investments \$255,711.

7. Other Revenue / Income (\$78,319)

This unfavourable variance arose predominately from the timing of insurance rebates (\$84,159) which are due to be received in November.

8. Employee Costs \$1,376,920

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$21,123,617	\$19,922,463	\$1,201,154
b) Other Employment Costs	\$1,621,063	\$1,445,297	\$175,766
	\$22,744,680	\$21,367,760	\$1,376,920

- a) Favourable timing variances for Salaries and Wages arose from vacancies in various areas.
- b) Favourable timing variances arose from Staff Training \$103,091 and Conferences and Seminars \$54,707.

9. Materials and Contracts**\$2,849,326**

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$4,326,823	\$3,175,137	\$1,151,686
b) Contributions & Donations	\$679,402	\$345,568	\$333,834
c) Waste Management Services	\$5,641,834	\$5,373,111	\$268,723
d) Professional Fees & Costs	\$810,059	\$630,528	\$179,531
e) Travel, Vehicles & Plant	\$623,507	\$460,544	\$162,963
f) Administration	\$386,952	\$237,186	\$149,766
g) Public Relations, Advertising & Promotions	\$290,523	\$150,165	\$140,358
h) Books & Publications	\$281,449	\$171,070	\$110,379
i) Computing	\$1,175,955	\$1,070,493	\$105,462
j) Accommodation & Property	\$570,056	\$475,245	\$94,811
k) Other Materials	\$767,936	\$694,844	\$73,092
l) Members Costs	\$299,831	\$239,638	\$60,193
m) Furniture, Equipment & Artworks	\$486,786	\$537,752	(\$50,966)
Other Materials & Contracts	\$560,063	\$490,569	\$69,494
	<u>\$16,901,176</u>	<u>\$14,051,850</u>	<u>\$2,849,326</u>

- a) Favourable timing variances arose mainly from External Contractors and Services \$1,151,686, including, Application Services \$202,750, City Projects \$114,588, Building Maintenance Works \$111,416, Parks \$365,468 and Roads \$183,734. The balances of variances are spread across a number of areas.
- b) Favourable variance arose from Grants and Contributions \$200,996 and Sponsorship \$65,408. The balances of variances are spread across a number of areas.
- c) Favourable variance arose mainly from Processing Recycling \$251,337. The balances of variances are spread across a number of areas.
- d) This favourable variance arose mainly due to Lodgement Fees \$72,227, Consultancy \$47,324 and Licence Searches \$23,295. The balances of variances are spread across a number of areas.
- e) Favourable variance arose mainly from Fuel \$76,610 and Parts & Repairs \$49,358. The balances of variances are spread across a number of areas.
- f) Favourable timing variance arose mainly from Printing \$46,172, Sundry Admin Expenses \$39,071 and Photography & Video Production \$17,082. The balances of variances are spread across a number of areas.
- g) This favourable timing variance arose mainly from Advertising \$40,323, Catering \$32,727 and Signage/Decals \$30,124. The balances of variances are spread across a number of areas.
- h) This favourable variance arose mainly from Subscriptions \$39,488, Book Purchases \$39,435 and Lost/Damaged Books \$20,117. The balances of variances are spread across a number of areas.
- i) A favourable variance arose mainly from Computer Software Maintenance \$143,004, partially offset by an unfavourable variance from Computer Software Subscriptions (\$47,205). The balances of variances are spread across a number of areas.

- j) This favourable variance arose mainly from Refuse Removal Charges \$60,773 and FESA ESL Payment \$29,104. The balances of variances are spread across a number of areas.
- k) This favourable variance arose mainly from Minor Building Works Materials \$41,667 and Purchase of Trading Stock at Craigie \$20,802. The balances of variances are spread across a number of areas.
- l) This favourable variance arose mainly from Elected Members Conference & Training \$46,357. The balances of variances are spread across a number of areas.
- m) This unfavourable variance mainly arose due to Minor Plant and Equipment Purchases (\$73,951) predominately from Waste Management Bins 240L & 360L, Hire of Equipment (\$30,194), partially offset by a favourable variance from Minor Furniture & Office Equipment Purchases \$50,842. The balances of variances are spread across a number of areas.

10. Utilities**\$286,875**

Favourable timing variances arose from Electricity costs for Buildings \$136,743, Parks \$112,320 and Roads \$140,503.

11. Depreciation & Amortisation of Non-Current Assets**\$379,495**

2019/20 asset values are being finalised as part of the end of year audit. The effect of this has not fully impacted upon the 2020/21 depreciation figures. A favourable variance arose mainly from Impairment of Assets \$445,610 and Depreciation Buildings \$141,176, partially offset by an unfavourable variance from Depreciation Library Stock (\$182,651) as a result of capitalising library assets at 30 June 2020. Necessary amendments to budgets will be effected as part of the mid-year budget review. The balances of variances are spread across a number of areas.

12. Loss on Asset Disposals**\$3,433**

A favourable variance arose due to Loss on Asset Disposal for Fleet and Plant \$62,689, partially offset by an unfavourable variance for Loss on Asset Disposal for Land (\$59,256).

13. Movement in Non-Current Items**(\$99,832)**

This timing variance arose in respect of an increase in Non-current Long Service Leave Liability.

14. Capital Grants and Subsidies \$374,100

	YTD Budget	YTD Actual	Variance
a) State Government Grants – Capital MRRG Roads Grant	\$1,090,713	\$2,124,243	\$1,033,530
b) State Government Grants Capital Direct Roads Grants	\$531,000	-	(\$531,000)
c) Commonwealth Grants – Capital Roads to Recovery	\$760,000	\$635,196	(\$124,804)
d) State Government Grants – Capital Blackspot	\$59,334	-	(\$59,334)
e) Other Programs	\$1,207,649	\$1,263,357	\$55,708
	<u>\$3,648,696</u>	<u>\$4,022,796</u>	<u>\$374,100</u>

a) This favourable variance arose mainly as the first 40% claims and income were earlier than expected on RDR2021 Whitfords Avenue/Northshore Drive Roundabout (\$342,650), RDC2020 Warwick Road – Erindale Road Intersection Upgrade (\$246,304), RDC2026 Whitfords Avenue/Kingsley Drive Intersection (\$166,868), RDC2024 Shenton Avenue Upgrade Design (\$132,000) and RPR2961 Anisdale Road (\$84,457).

b) Direct Grant claim has been submitted and payment is expected in the coming months.

c) This unfavourable variance relates to RPR3131 Ballantine Rd (\$90,804) which is expected to be received next quarter.

d) Unfavourable variance arose mainly due to SBS2089 Hepburn Avenue – Mitchell Freeway South Bound (\$53,334) as the project was not supported for grant funding. This will be adjusted in the mid-year budget review.

15. Capital Contributions (\$727,182)

Unfavourable variance arose mainly due to FPN2240 Burns Beach to Mindarie Dual Use Path (\$730,000).

16. Other Non-Operating Revenue \$85,158

This favourable timing variance predominately arose from GST reimbursements in respect of TPRC land sales undertaken.

17. Capital Projects \$83,878



This variance arises primarily from the timing of progress on IT Disaster Recovery Facilities \$104,000, Cafes/Kiosks/Restaurants \$100,394 and Survey Total Station \$55,000 in particular with additional favourable timing variances across several projects. These are partially offset by an unfavourable timing variance due to progress of Network Infrastructure Upgrade Program (\$248,406) with funds being carried forward from the 2019/20 financial year.


17. Capital Works
\$1,743,783

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Streetscape Enhancement Program (SSE)	4	\$922,459	\$117,078	\$805,382	SSE2056 - \$818,057
b) Road Preservation/Resurfacing Program (RPR)	100	\$2,709,902	\$2,058,871	\$651,031	RPR3147 - \$154,443 RPR3131 - \$154,011 RPR3093 - \$105,365 RPR2491 - \$73,976
c) New Path Program (FPN)	15	\$1,132,670	\$583,347	\$549,323	FPN2240 - \$475,846 FPN2225 - \$99,800
d) Major Projects Program (MPP)	9	\$771,000	\$339,529	\$431,471	MPP2069 - \$200,000 MPP2034 - \$131,755 MPP2026 - \$93,977
e) Stormwater Drainage Program (SWD)	13	\$243,000	\$28,803	\$214,197	SWD2288 - \$114,167
f) Major Building Capital Works Program (BCW)	16	\$930,000	\$772,981	\$207,019	BCW2636 - \$136,134 BCW2586 - \$78,997
g) Street Lighting Program (STL)	19	\$475,000	\$831,834	(\$356,834)	STL2003 - (\$130,426) STL2107 - (\$112,772) STL2088 - (\$45,105)
h) Major Road Construction Program (RDC)	8	\$35,000	\$168,864	(\$133,864)	RDC2003 - (\$59,473) RDC2020 - (\$55,811)
i) Parks Development Program (PDP)	42	\$252,000	\$384,038	(\$132,038)	PDP2335 - (\$48,392) PDP2301 - (\$30,184) PDP2279 - (\$29,094)
j) Path Replacement Program (FPR)	34	\$136,000	\$267,866	(\$131,866)	FPR2263 - (\$61,584) FPR2267 - (\$59,640)
k) Parking Facilities Program (PFP)	5	-	\$131,148	(\$131,148)	PFP2069 - (\$127,134)
l) Local Traffic Management Program (LTM)	9	\$60,000	\$178,051	(\$118,051)	LTM2148 - (\$120,519)
m) Blackspot Program (SBS)	5	\$168,600	\$246,575	(\$77,975)	SBS2089 - (\$65,586)



n) Foreshore Natural Area Program (FNM)	18	\$363,000	\$416,665	(\$53,665)	FNM2085 - \$144,712 FNM2054 - (\$129,645) FNM2088 - (\$21,636) FNM2090 - (\$19,573)
Other Programs	42	\$533,001	\$512,199	\$20,801	
	<u>339</u>	<u>\$8,731,632</u>	<u>\$6,987,849</u>	<u>\$1,743,783</u>	

- a) A favourable variance on Street Enhancement Program relates to SSE2056 City Centre Streetscape Renewal Program \$818,057.
- b) A favourable variance mainly arose due to a number of completed projects awaiting outstanding invoices including RPR3147 Mason Way \$154,433, RPR3093 Shenton/McLarty \$105,365, RPR2491 Joondalup Drive \$73,976, RPR3126 Joondalup Lakeside \$63,659, RPR3096 Channel Drive \$61,674 and RPR3097 Lawley Court \$52,213. A favourable variance also arose due to RPR3131 Ballantine Road slightly delayed until the end of October \$154,011.
- c) Favourable variance arose mainly due to FPN2240 Burns Beach to Mindarie Dual Use Path \$475,846 with funds carried forward from 2019/20 and the northern section now completed. A favourable variance also arose due to FPN2225 Penistone Park Connecting Pathways \$99,800 with the project delayed and completion expected in March 2021.
- d) A favourable variance occurred on MPP2069 Percy Doyle – Floodlighting Upgrades \$200,000 which is currently in the design phase. Favourable variance also arose due to MPP2034 Joondalup Admin Building Major Refurb \$131,755 and MPP2026 Works Operation Centre Extension \$93,977 which are currently in progress and 50% and 77% completed respectively.
- e) A favourable variance occurred on SWD2228 Quay Court Sump Retaining Wall repair \$114,167 which is currently in the design phase and estimated completion in March 2021. A favourable variance also occurred on SWD2219 Marine/Parnell \$37,151 which has been delayed until December.
- f) Favourable variances occurred on BCW2636 Key West Toilet Replacement \$136,134 and BCW2586 Whitfords Library & Senior Citizen Centre Minor Works \$78,997 which have been completed and are awaiting outstanding invoices.
- g) Unfavourable variance occurred on Joondalup City Centre Lighting (\$130,426) with stage four 65% completed. Other unfavourable variances occurred on SL2107 Mirror Park (\$112,772) and STL2088 Tom Simpson (\$45,105) which is fully funded by Ocean Reef Football Club.
- h) Unfavourable variance arose mainly due to RDC2003 Bridges and Underpass (\$59,473) and RDC2020 Warwick Road (\$55,811).
- i) An unfavourable variance arose due to PDP2335 Irrigation Smart Controller Renewals (\$48,392), PDP2301 Wallangarra Park Irrigation Renewals (\$30,184) and PDP2279 Churton Park Irrigation Upgrades (\$29,094) which are all currently in progress.
- j) Unfavourable variance relates to FPR2263 Burns Beach Road (\$61,584) and FPR2267 Caledonia Avenue (\$59,640), both completed ahead of schedule.
- k) Unfavourable variance relates to PFP2069 Burns Beach Coastal Parking (\$127,134) with works progressing ahead of schedule and 45% construction completed.
- l) An unfavourable variance occurred on LTM2148 Marion/Readshaw Intersection Upgrade (\$120,000) which was carried forward from 2019/20 and the project is completed.

- m) An unfavourable variance occurred mainly due to SBS2089 Hepburn Avenue – Mitchell Freeway (\$65,586) which is completed and awaiting outstanding invoices for payment.
- n) An unfavourable variance arose on the following projects which are progressing ahead of schedule: FNM2054 Whitfords Nodes Hillary's Lookout (\$129,645), FNM2088 Bethany Park Bushland Fencing (\$21,636) and FNM2090 Huntingdale Park Bushland Fencing (\$19,573). This was partially offset by a favourable variance arose on FNM2085 Craigie Open Space Bushland Path Renewals \$144,712 which has been delayed and is expected to be completed in December.

18. Vehicle and Plant Replacements \$346,676

A favourable timing variance arose mainly in relation to capital acquisition of three Isuzu Trucks \$345,000.

19. Proceeds from Disposal \$1,589,244

A favourable variance arose mainly due to the disposal of lot 803 Burlos Court to Bermen Property \$1,499,835 and proceeds received from the disposal of fleet \$89,409.

20. Opening Funds (\$17,321,507)

The variation in the closing funds for the period ended 30 June 2020 is prior to end of year adjustments being processed. The final balance will be available after the Financial Statements for 2019/20 have been audited.

21. Closing Funds (\$9,173,100)

	June 2020 *	October 2020
Current Assets		
Cash and Investments		\$192,022,455
Rates Outstanding, Sundry Debtors and Other Receivables		\$38,273,042
Accrued Income		\$627,674
Prepayments		\$925,847
Inventories		\$149,674
Total Current Assets		\$231,998,692
Current Liabilities		
Trade Creditors		\$1,472,860
Sundry Payables		\$16,499,859
Accrued Expenses		\$4,340,463
Other Payables		(\$413,082)
Borrowings		\$1,602,871

Provision for Annual Leave		\$5,070,424
Provision for Long Service Leave		\$6,572,875
Provision for Purchased Leave		\$107,033
Provision for Workers Compensation Insurance		\$3,264,990
Provision for Sick Leave		\$1,126,239
Other Provisions		\$66,707
Total Current Liabilities		\$39,711,239
Net Current Assets		\$192,287,453
Add back: Borrowings		\$1,602,871
Less: Cash Backed Reserves		\$74,151,622
Less: Other Items (subject to finalisation of 2019/20 end of year)		\$31,687,998
Closing Funds – Surplus/(Deficit)		\$88,050,704

* Subject to finalisation of 2019/20 end of year