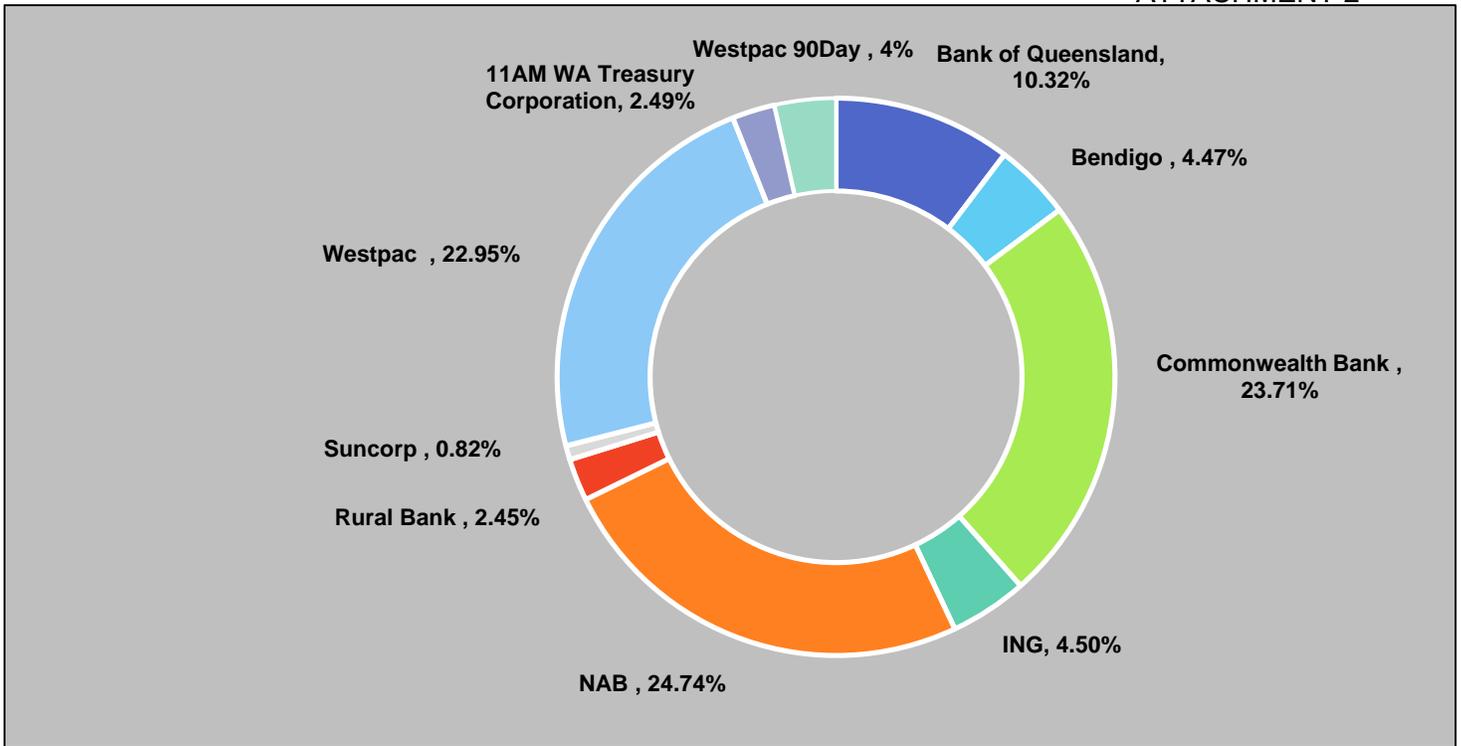


	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(98,078,153)	(97,964,282)	(98,147,828)	183,546	0%
Specified Area Rates		(705,776)	(705,776)	(708,520)	2,744	0%
Grants and Subsidies	2	(5,880,451)	(2,820,800)	(1,371,737)	(1,449,063)	(51)%
Contributions Reimbursements and Donations	3	(1,070,156)	(411,354)	(458,574)	47,220	11%
Profit on Asset Disposals	4	(98,529)	(30,558)	(1,060,536)	1,029,978	100%
Fees and Charges	5	(40,020,382)	(29,791,671)	(30,319,394)	527,723	2%
Interest Earnings	6	(1,105,049)	(481,341)	(820,522)	339,181	70%
Other Revenue/Income	7	(551,191)	(282,241)	(203,963)	(78,278)	(28)%
Total Operating Revenue		(147,509,687)	(132,488,023)	(133,091,074)	603,051	0%
OPERATING EXPENSES						
Employee Costs	8	64,094,975	27,771,428	26,121,678	1,649,750	6%
Materials and Contracts	9	52,096,994	21,025,595	18,185,720	2,839,875	14%
Utilities (gas, electricity, water etc.)	10	6,114,625	2,533,328	2,219,976	313,352	12%
Depreciation & Amortisation of Non-Current Assets	11	32,308,300	13,382,289	12,875,556	506,733	4%
Loss on Asset Disposals	12	282,114	70,066	66,633	3,433	5%
Interest Expenses		384,877	150,847	151,251	(405)	(0)%
Insurance Expenses		1,430,948	1,418,246	1,448,670	(30,424)	(2)%
Total Operating Expenses		156,712,833	66,351,798	61,069,484	5,282,315	8%
(SURPLUS)/DEFICIT FROM OPERATIONS		9,203,146	(66,136,225)	(72,021,590)	5,885,366	9%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(32,308,300)	(13,382,289)	(12,875,556)	(506,733)	(4)%
Loss on Asset Disposal		(282,114)	(70,066)	(66,633)	(3,433)	(5)%
Profit on Asset Disposals		98,529	30,558	1,060,536	(1,029,978)	(100)%
Other Non-Current items						
Movement in Non-current Items	13	(100,000)	(100,000)	(36,844)	(63,156)	(63)%
OPERATING CASH (SURPLUS)/DEFICIT		(23,388,738)	(79,658,022)	(83,940,086)	4,282,064	5%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	14	(9,972,599)	(4,025,870)	(4,574,037)	548,167	14%
Capital Contributions	15	(730,000)	(730,000)	(683,560)	(46,440)	(6)%
Other Non-Operating Revenue	16	(500,000)	-	(148,707)	148,707	100%
Total Non-Operating Revenue		(11,202,599)	(4,755,870)	(5,406,304)	650,434	100%
CAPITAL EXPENDITURE						
Capital Projects	16	1,752,599	884,002	830,198	53,804	16%
Capital Works	17	44,091,770	11,902,132	9,980,389	1,921,743	32%
Vehicle and Plant Replacements	18	2,567,500	519,500	353,543	165,957	16%
Total Capital Expenditure		48,411,869	13,305,634	11,164,129	2,141,505	16%
CAPITAL (SURPLUS)/DEFICIT		37,209,269	8,549,764	5,757,825	2,791,939	33%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		13,820,531	(71,108,258)	(78,182,261)	7,074,003	10%
FUNDING						
Proceeds from Disposal	19	(1,851,050)	(87,500)	(1,676,744)	1,589,244	100%
Loans - New Borrowings		-	-	-	-	0%
Loans - Repayment of Principal		2,445,662	842,788	842,788	-	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)	(19,608,893)	2,287,386	13%
CLOSING FUNDS	21	(5,010,460)	(87,674,477)	(98,625,110)	10,950,633	12%

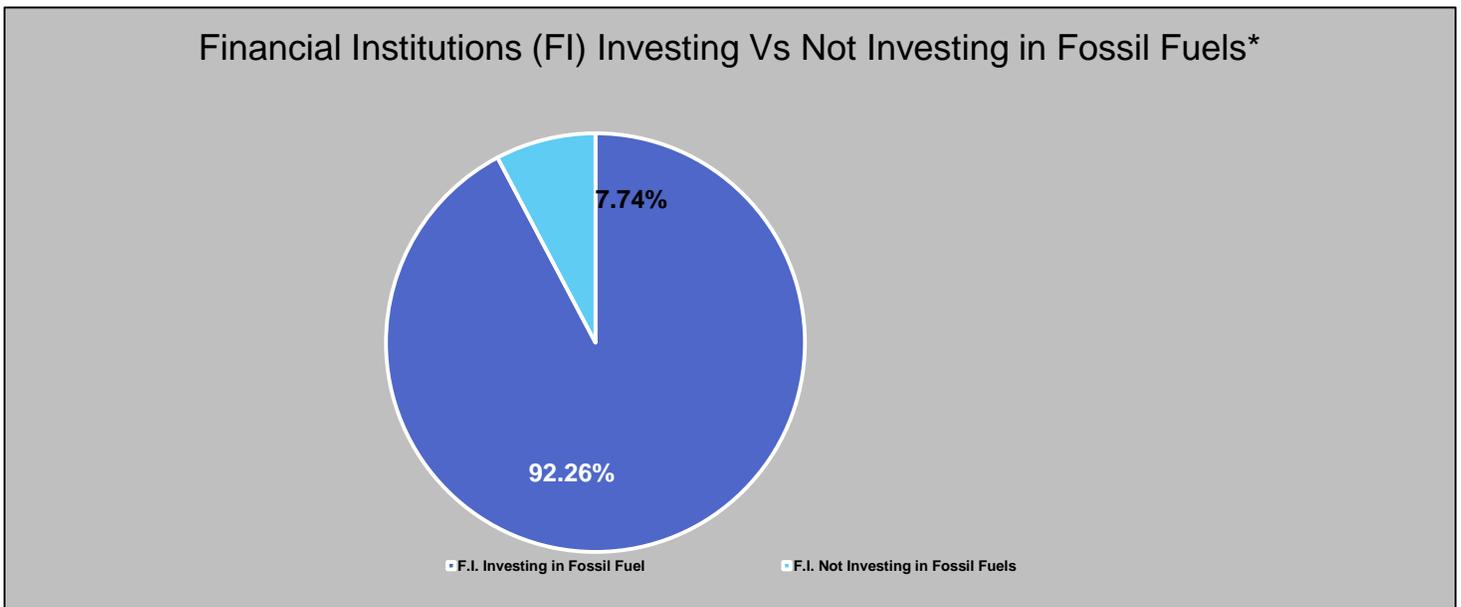
INVESTMENT SUMMARY



Municipal Funds	\$101,864,373	YTD Return	0.83%
Reserve Funds	\$81,540,627	Benchmark	0.60%
	<u>\$183,405,000</u>	RBA Rate	0.10%

Investment Policy Limits					
	LT Rating	Limit		LT Rating	Limit
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



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

NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 30 NOVEMBER 2020

1. Rates \$183,545

A favourable variance arose mainly due to Interim Rates \$202,765.

2. Grants and Subsidies (\$1,449,063)

This unfavourable timing variance arose due to advanced payments of Federal General Purpose (WALGGC) Grant (\$873,358) and Federal Road (FLRG) Grant (\$623,644) received in the previous financial year.

3. Contributions and Donations \$47,220

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 Utility Charge (\$54,615).

4. Profit on Asset Disposal \$1,029,978

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 \$1,002,039.

5. Fees and Charges \$527,723

	YTD Budget	YTD Actual	Variance
a) Sports and Recreation	\$3,273,917	\$4,003,669	\$729,782
b) Building and Development	\$700,500	\$1,005,484	\$304,984
c) Refuse Charges	\$20,703,422	\$20,815,028	\$111,606
d) Licenses and Registrations	\$271,637	\$411,000	\$139,363
e) Inspection and Control fees	\$902,056	\$983,394	\$81,338
f) Fines & Penalties	\$653,094	\$254,439	(\$398,655)
g) Parking Fees	\$1,621,786	\$1,325,027	(\$296,759)
Other Fees & Charges	\$1,665,259	\$1,521,323	(\$143,936)
	<u>\$29,761,671</u>	<u>\$30,318,698</u>	<u>\$527,027</u>

a) Favourable variance arose from Learn to Swim Program of \$300,004, Membership Fees of \$215,173, Craigie Admission Fees of \$111,301 and Craigie Court Sport Revenue of \$59,270.

b) Favourable variance arose from Development Application Fees \$172,698 and Building Permits \$89,137.

- c) Favourable variances arose from Waste Refuse Service Charges of \$55,230 and Additional Service Charge for 240L General Waste Bin of \$48,008.
- d) Favourable variances arose mainly from Dog Registration Fees \$80,450 and Food Business Administration Fees \$32,984.
- e) Favourable variance arose mainly from Environmental Health Inspection Fees \$77,146.
- f) Unfavourable variance arose mainly from Parking Infringements (\$320,630) and Suburban Parking Infringements (\$54,302).
- g) Unfavourable variance mainly arose from Multi Storey Car Park Parking Fees (\$131,552), On Street Parking Fees (\$102,494) and Off Street Parking Fees (\$57,845).

6. Interest Earnings **\$339,181**

A favourable timing variance arose from Interest on Investments \$303,319.

7. Other Revenue / Income **(\$78,278)**

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

8. Employee Costs **\$1,649,750**

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$26,136,171	\$24,665,849	\$1,470,322
b) Other Employment Costs	\$1,635,257	\$1,455,830	\$179,427
	<u>\$27,771,428</u>	<u>\$26,121,679</u>	<u>\$1,649,750</u>

- a) Favourable timing variances for Salaries and Wages arose from vacancies in various areas.
- b) Favourable timing variances arose from Staff Training \$141,329 and Conferences and Seminars \$73,477. This was partially offset by Agency Employees (\$178,052). The balance is spread across a number of areas.

9. Materials and Contracts**\$2,839,875**

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$5,730,468	\$4,565,844	\$1,164,624
b) Contributions & Donations	\$818,288	\$546,968	\$271,320
c) Waste Management Services	\$6,931,316	\$7,018,133	(\$86,817)
d) Professional Fees & Costs	\$961,359	\$727,703	\$233,656
e) Travel, Vehicles & Plant	\$758,180	\$577,033	\$181,147
f) Administration	\$468,159	\$288,778	\$179,381
g) Public Relations, Advertising & Promotions	\$403,147	\$212,970	\$190,177
h) Books & Publications	\$319,512	\$186,069	\$133,443
i) Computing	\$1,298,902	\$1,189,275	\$109,627
j) Accommodation & Property	\$616,459	\$504,126	\$112,333
k) Other Materials	\$980,725	\$840,390	\$140,335
l) Members Costs	\$357,631	\$289,870	\$67,761
m) Telephones and Communication	\$356,814	\$292,980	\$63,834
n) Charges and Recoveries	(\$3,970)	(\$69,995)	\$66,025
Other Materials & Contracts	\$1,028,607	\$1,015,578	\$13,029
	<u>\$21,025,597</u>	<u>\$18,185,722</u>	<u>\$2,839,875</u>

- a) Favourable timing variances arose mainly from External Contractors and Services \$951,099, including, Application Services \$261,850, City Projects \$142,661, Parks \$378,767 and Roads \$137,684. In addition, Programme Activities \$143,944. The balances of variances are spread across a number of areas.
- b) Favourable variance arose from Community Funding Program \$115,000 and Sponsorship \$86,585. The balances of variances are spread across a number of areas.
- c) Favourable variance arose mainly from Processing Recycling \$271,659. The balances of variances are spread across a number of areas.
- d) This favourable variance arose mainly due to Lodgement Fees \$97,418, Consultancy \$31,679 and Legal Fees Recoverable \$37,089. The balances of variances are spread across a number of areas.
- e) Favourable variance arose mainly from Fuel \$98,903 and Parts & Repairs \$38,928. The balances of variances are spread across a number of areas.
- f) Favourable timing variance arose mainly from Printing \$42,523, Sundry Admin Expenses \$54,254 and Photography & Video Production \$23,716. The balances of variances are spread across a number of areas.
- g) This favourable timing variance arose mainly from Advertising \$48,846, Catering \$41,658 and Signage/Decals \$41,572. The balances of variances are spread across a number of areas.
- h) This favourable variance arose mainly from Subscriptions \$44,094, Book Purchases \$55,538 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 \$146,418, partially offset by an unfavourable variance from Computer Software Subscriptions (\$26,305). The balances of variances are spread across a number of areas.
- j) This favourable variance arose mainly from Refuse Removal Charges \$68,272 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 \$52,083 and Purchase of Trading Stock at Craigie \$33,030. The balances of variances are spread across a number of areas.
- l) This favourable variance arose mainly from Elected Members Conference & Training \$41,149. The balances of variances are spread across a number of areas.
- m) This favourable variance arose mainly from Postage, Courier and Freight Services \$27,595. The balances of variances are spread across a number of areas.
- n) This favourable variance arose mainly from Capital Overhead Recoveries \$35,155.

10. Utilities
\$313,352

Favourable timing variances arose from Electricity costs for Buildings \$129,242, Parks \$123,211 and Roads \$51,289.

11. Depreciation & Amortisation of Non-Current Assets
\$506,733

Favourable variances arose for Impairment of Assets \$529,452 and Depreciation Buildings \$175,610, partially offset by an unfavourable variance from Depreciation Library Stock (\$227,200). The balances of variances are spread across a number of areas.

13. Movement in Non-Current Items
(\$63,156)

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

13. Capital Grants and Subsidies \$548,167

	YTD Budget	YTD Actual	Variance
a) State Government Grants – Capital MRRG Roads Grant	\$1,338,152	\$2,137,537	\$793,385
b) Commonwealth Grants – Capital Roads to Recovery	\$760,000	\$635,196	(\$124,804)
c) State Government Grants – Capital Blackspot	\$189,068	-	(\$189,068)
d) Other Programs	\$1,738,650	\$1,807,304	\$68,654
	\$4,025,870	\$4,574,037	\$548,167

a) This favourable variance predominately related to 2020/2021 programs 1st 40% claims and income received earlier than expected for RPR2961 Arnisdale Rd-Glengarry to Merrick Way (\$84,457), RDC2020 W3661 Warwick Rd-Erindale Rd Intersection Upgrade (\$246,304), RDC2021 Whitfords Ave/Northshore Dr Roundabout (\$342,650), RDC2024 W3947 Shenton Ave Upgrade Design(\$132,000) and RDC2026 Whitfords Ave (\$166,868).

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

c) This unfavourable variance relates to SBS2086 W3819 Ocean Reef Rd & Eddystone Ave stage one \$86,000 and SBS2089 W3821 Hepburn Ave - Mitchell Freeway South Bound on Ramp \$103,068 with the 2nd 40% claims submitted and awaiting payment.

14. Capital Contributions (\$46,440)

Unfavourable variance arose mainly due to FPN2240 Burns Beach to Mindarie Dual Use Path (\$680,742).

15. Other Non-Operating Revenue \$148,707

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

16. Capital Projects \$53,804

This favourable timing variance arose due to progress of Network Infrastructure Upgrade Program (\$228,406) and Yellagonga Wetlands-Smart Monitoring and Management (142,600) with funds being carried forward from 2019/20 financial year. Partially offset by the timing of the IT Disaster Recovery Facilities \$119,000 and Cafes/Restaurants/Kiosk \$110,769. The balances of variances are spread across a number of areas.


17. Capital Works
\$1,921,743

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Streetscape Enhancement Program (SSE)	4	\$923,460	\$144,337	\$779,123	SSE2056 - \$802,467
b) Road Preservation/Resurfacing Program (RPR)	100	\$3,289,902	\$2,645,997	\$643,905	RPR3085 - \$184,255 RPR3142 - \$86,192 RPR2491 - \$82,673 RPR3131 - \$76,087
c) New Path Program (FPN)	15	\$1,204,670	\$761,329	\$443,341	FPN2240 - \$302,012 FPN2225 - \$99,800
d) Major Projects Program (MPP)	9	\$1,266,000	\$359,025	\$906,975	MPP2069 - \$400,000 MPP2034 - \$220,687 MPP2026 \$142,257
e) Stormwater Drainage Program (SWD)	13	\$368,000	\$34,815	\$333,185	SWD2228 - \$239,167
f) Major Building Capital Works Program (BCW)	16	\$1,250,000	\$1,109,536	\$140,464	BCW2567 - \$183,183 BCW2636 - \$89,953
g) Street Lighting Program (STL)	19	\$502,000	\$1,472,119	(\$970,119)	STL2003 - (\$762,925) STL2107 - (\$112,834)
h) Major Road Construction Program (RDC)	8	\$85,000	\$178,013	(\$93,013)	RDC2003 - (\$59,473) RDC2020 - (\$55,944)
i) Parks Development Program (PDP)	42	\$685,500	\$592,064	\$93,436	PDP2118 - (\$121,543)
j) Path Replacement Program (FPR)	34	\$465,000	\$680,810	(\$215,810)	FPR2156 - (\$132,187) FPR2001 - (\$64,098)
k) Parking Facilities Program (PFP)	5	\$315,000	\$137,471	\$177,529	PFP2069 - \$185,752
l) Local Traffic Management Program (LTM)	9	\$60,000	\$219,955	(\$159,955)	LTM2148 - (\$120,785)
m) Blackspot Program (SBS)	5	\$168,600	\$289,334	(\$120,734)	SBS2089 - (\$65,586)
n) Foreshore Natural Area Program (FNM)	18	\$520,500	\$416,665	\$103,835	FNM2085 - \$144,712



o) Park Equipment Program	42	\$798,500	\$938,919	(\$140,418)
	<u>339</u>	<u>\$11,902,132</u>	<u>\$9,980,389</u>	<u>\$1,921,743</u>

- a) A favourable variance on Street Enhancement Program relates to SSE2056 City Centre Streetscape Renewal Program \$802,467.
- b) A favourable variance mainly arose due the timing of projects currently in progress including RPR3085 Channel Dr - Admiral \$184,255, RPR3090 Channel Dr - Poseidon \$54,839. In addition, a number of completed projects awaiting outstanding invoices including RPR3142 Treetop Ave-Lakeview to Outlook \$86,192, RPR3131 Ballantine Rd-Dorchester Ave to Ellersdale \$76,087 and RPR3130 Whitfords Avenue Westbound-Southbound slip lane \$40,710. The balance is spread across a number of projects.
- c) Favourable variance arose mainly due to FPN2240 Burns Beach to Mindarie Dual Use Path \$302,012 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 \$400,000 which are currently in the design phase. Favourable variance also arose due to MPP2034 Joondalup Admin Building Major Refurb \$220,687 and MPP2026 Works Operation Centre Extension \$142,257 which are currently in progress with 50% and 77% completion respectively.
- e) A favourable variance occurred on SWD2228 Quay Court Sump Retaining Wall repair \$239,167 which is currently in the design phase and estimated completion in March 2021. A favourable variance also occurred on SWD2219 Marine/Parnell \$35,882 which has been delayed until February 2021.
- f) A Favourable variance arose BCW2567 Craigie Leisure Centre \$183,183 and BCW2560 Septic System Upgrade \$59,044 which are both currently in process. In addition, variances occurred on BCW2636 Key West Toilet Replacement \$89,953 and BCW2586 Whitfords Library & Senior Citizen Centre Minor Works \$57,257 which have been completed and are awaiting outstanding invoices.
- g) Unfavourable variance occurred on Joondalup City Centre Lighting (\$762,925) with stage four 85% 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) with funds carried forward from 2019/20 and RDC2020 Warwick Road (\$55,944).
- i) A favourable timing variance arose PDP2118 Moolanda Park LMP \$121,543.
- j) Unfavourable variance relates to FPR2156 Shared Path Renewal & Resurfacing (\$131,187) with funds carried forward from 2019/20. In addition, FPR2001 W1233 Pathway Replacement (\$64,098) which is currently in progress.
- k) Favourable variance arose PFP2069 W3740 Burns Beach Coastal Parking \$185,752 which is 50% completed and due for completion in March 2021.

- l) Unfavourable variance occurred on LTM2148 Marion/Readshaw Intersection Upgrade \$120,785 with funds carried forward from 2019/20.
- 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) with funds carried forward from 2019/20 and FNM2088 Bethany Park Bushland Fencing (\$21,636). 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**\$165,957**

A favourable variance arose mainly in relation to capital acquisition of two Isuzu Trucks \$250,000. Offset by the timing of a 4WD tractor replacement (\$107,010).

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**\$2,287,386**

Variations in the actual results for 2019-20 compared to the budget estimate gave rise to a favourable variance of \$2,287,386 in opening funds. The drivers for the increased end of year surplus, after taking end of year reserve movements and other offsets into account, are reductions in operating and capital expenditure. Adjustment to opening funds will be reflected in the Mid Year Budget Review.

21. Closing Funds**(\$6,375,862)**

	June 2020	November 2020
Current Assets		
Cash and Investments	\$125,037,769	\$188,106,953
Rates Outstanding, Sundry Debtors and Other Receivables	\$5,559,755	\$33,442,463
Accrued Income	\$983,654	\$594,270
Prepayments	\$443,960	\$898,680
Inventories	\$135,252	\$128,975
Land Held for Resale	\$1,649,532	\$1,649,532
Total Current Assets	\$133,809,922	\$224,820,873
Current Liabilities		
Trade Creditors	\$4,934,820	\$7,846,897



Sundry Payables	\$555,119	\$10,438,972
Accrued Expenses	\$3,906,427	\$4,517,769
Other Payables	\$4,726,040	\$1,221,867
Borrowings	\$2,445,660	\$1,602,871
Lease Liability	\$362,194	\$203,289
Provision for Annual Leave	\$4,937,838	\$5,117,693
Provision for Long Service Leave	\$6,444,938	\$6,543,582
Provision for Purchased Leave	\$92,539	\$111,005
Provision for Workers Compensation Insurance	\$2,048,076	\$2,984,075
Provision for Sick Leave	\$1,114,783	\$1,130,665
Other Provisions	\$66,705	\$66,707
Total Current Liabilities	\$31,635,139	\$41,785,391
Net Current Assets	\$102,174,783	\$183,035,481
Add back: Borrowings	\$2,445,660	\$1,602,871
Add back: Lease Liabilities	\$362,194	\$203,289
Add back: Contract Liabilities for developer contributions	\$1,221,867	\$1,221,867
Less: Cash Backed Reserves	\$86,595,611	\$86,595,611
Closing Funds – Surplus/(Deficit)	\$19,608,893	\$99,467,897