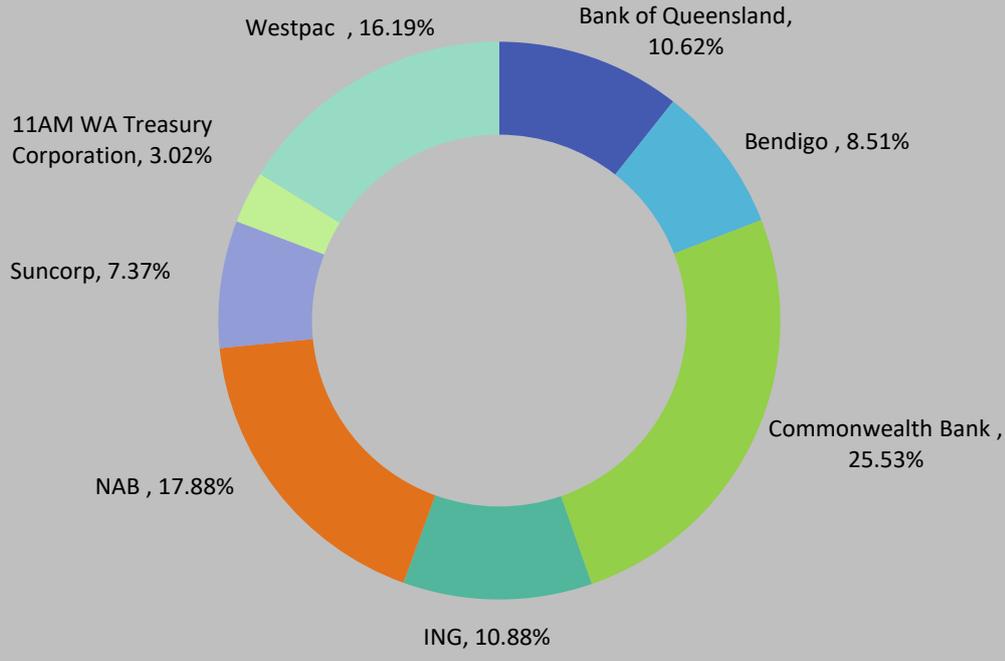


	Notes	YTD Amended Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>						
Rates	1	(99,997,776)	(99,747,776)	(99,668,322)	(79,454)	(0)%
Specified Area Rates		(704,527)	(704,527)	(704,527)	-	0%
Grants and Subsidies		(3,444,625)	(1,017,099)	(1,025,706)	8,607	1%
Contributions Reimbursements and Donations	2	(1,108,156)	(244,359)	(435,504)	191,145	78%
Profit on Asset Disposals	3	(1,402,947)	(5,105)	-	(5,105)	(100)%
Fees and Charges	4	(41,552,470)	(27,792,638)	(27,648,995)	(143,643)	(1)%
Interest Earnings	5	(666,527)	(164,722)	(201,850)	37,128	23%
Other Revenue/Income	6	(363,164)	(90,791)	(134,200)	43,409	48%
<b>Total Operating Revenue</b>		<b>(149,240,192)</b>	<b>(129,767,017)</b>	<b>(129,819,104)</b>	<b>52,087</b>	<b>0%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	7	66,183,322	17,080,605	16,197,041	883,564	5%
Materials and Contracts	8	69,361,501	12,934,198	10,433,419	2,500,779	19%
Utilities (gas, electricity, water etc.)	9	6,133,858	1,534,363	1,390,658	143,705	9%
Depreciation & Amortisation of Non-Current Assets	10	31,927,323	7,819,990	7,556,594	263,396	3%
Loss on Asset Disposals	11	202,273	11,902	-	11,902	100%
Interest Expenses	12	323,391	71,205	64,013	7,192	10%
Insurance Expenses	13	1,628,739	949,026	895,418	53,608	6%
<b>Total Operating Expenses</b>		<b>175,760,407</b>	<b>40,401,289</b>	<b>36,537,143</b>	<b>3,864,146</b>	<b>10%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>26,520,215</b>	<b>(89,365,728)</b>	<b>(93,281,961)</b>	<b>3,916,233</b>	<b>4%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation & Amortisation of Non Current Assets		(31,927,323)	(7,819,990)	(7,556,594)	(263,396)	(3)%
Loss on Asset Disposal		(202,273)	(11,902)	-	(11,902)	(100)%
Profit on Asset Disposals		1,402,947	5,105	-	5,105	(100)%
Movement in Non-current Items	14	(100,000)	(100,000)	(192,057)	92,057	92%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(4,306,434)</b>	<b>(97,292,515)</b>	<b>(101,030,612)</b>	<b>3,738,097</b>	<b>4%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies	15	(12,952,123)	(2,644,825)	(3,293,658)	648,833	25%
Capital Contributions	16	(215,622)	-	5,236	(5,236)	(100)%
Equity Distribution - TPRC		(1,666,667)	-	-	-	0%
Other Non-Operating (GST Reimb TPRC Land Sales)	17	-	-	(20,668)	20,668	100%
<b>Total Non-Operating Revenue</b>		<b>(14,834,412)</b>	<b>(2,644,825)</b>	<b>(3,309,090)</b>	<b>664,265</b>	<b>25%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	18	2,979,943	1,119,929	355,204	764,725	68%
Capital Works	19	52,070,323	6,925,652	4,499,893	2,425,759	35%
Vehicle and Plant Replacements	20	2,819,841	528,000	-	528,000	100%
<b>Total Capital Expenditure</b>		<b>57,870,107</b>	<b>8,573,581</b>	<b>4,855,097</b>	<b>3,718,484</b>	<b>43%</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>43,035,695</b>	<b>5,928,756</b>	<b>1,546,007</b>	<b>4,382,749</b>	<b>74%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>38,729,261</b>	<b>(91,363,759)</b>	<b>(99,484,605)</b>	<b>8,120,846</b>	<b>9%</b>
<b>FUNDING</b>						
Proceeds from Disposal	21	(1,937,600)	(124,000)	-	(124,000)	100%
Loans - Repayment of Principal		1,836,595	454,695	454,695	-	0%
Transfer from Trust		(120,529)	-	-	-	0%
Transfer from Reserve		(47,811,278)	-	-	-	0%
Transfer to Reserve		13,232,784	-	-	-	0%
Opening Funds	22	(1,228,878)	(1,228,878)	-	(1,228,878)	(100)%
<b>CLOSING FUNDS</b>	23	<b>2,700,355</b>	<b>(92,261,942)</b>	<b>(99,029,910)</b>	<b>6,767,968</b>	<b>7%</b>

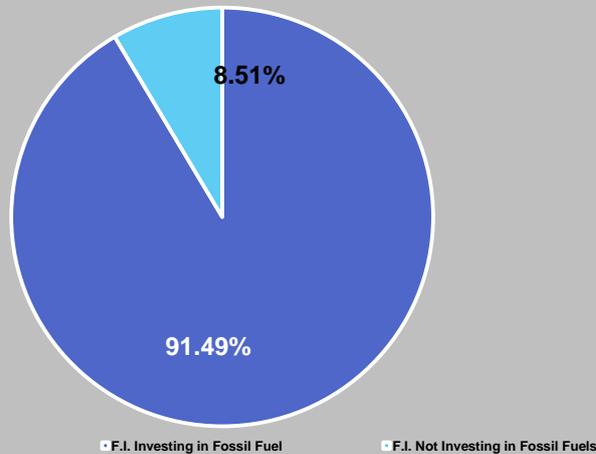


Municipal Funds	\$107,438,783	YTD Return	0.41%
Reserve Funds	\$84,666,217	Benchmark	0.60%
	<u>\$192,105,000</u>	RBA Rate	0.10%

Investment Policy Limits					
	LT Rating	Limit		LT Rating	Limit
Bank of Queensland	A-*	10%	NAB	AA-	25%
Bendigo	A-*	10%	Rural Bank	A-*	10%
Commonwealth Bank	AA-	25%	Suncorp	A+	15%
ING	A+	15%	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 30 SEPTEMBER 2021 (Subject to end of year finalisation)**

**1. Rates (\$79,454)**

Rates income is below budget as a result of adjustment to Gross Rental Values (GRV) of certain properties, budget will be adjusted in the Mid Year Budget Review.

**2. Contributions Reimbursements and Donations \$191,145**

A favourable variance arose mainly due to Insurance Reimbursement received for Belrose Park Toilets/Changerooms \$148,258 and Container Deposit Scheme Rebate \$56,770.

**3. Profit on Asset Disposals (\$5,105)**

This favourable timing variance mainly arose due to the timing of the disposal of fleet and plant items (\$5,105).

**4. Fees and Charges (\$143,643)**

	YTD Budget	YTD Actual	Variance
a) Fines and Penalties	\$277,791	\$56,988	(\$220,803)
b) Other Fees and Charges	\$904,917	\$825,736	(\$79,181)
c) Refuse Charges	\$21,794,099	\$21,729,595	(\$64,504)
d) Licenses and Registrations	\$177,471	\$126,386	(\$51,085)
e) Building and Development Fees	\$447,250	\$599,575	\$152,325
f) Inspection and Control Fees	\$970,750	\$1,057,970	\$87,220
Other Fees & Charges	\$3,220,360	\$3,252,745	\$32,385
	<u>\$27,792,638</u>	<u>\$27,648,995</u>	<u>(\$143,643)</u>

- a) Unfavourable variance mainly arose from Parking Infringements (\$174,603).
- b) An unfavourable variance mainly arose due to Fines Enforcement Registry Charges (\$51,395).
- c) Unfavourable variance mainly arose due to Waste Refuse Service Charge (\$67,526).
- d) Unfavourable variance mainly arose from Dog Registration Fees (\$39,355).
- e) A favourable variance arose mainly due to Development Application Fees \$59,163 and Building Permits \$54,170 being higher than estimated. The budget will be updated during the mid-year budget review.
- f) Favourable variance arose mainly from Swimming Pool Inspection Fee \$73,839.

**5. Interest Earnings \$37,128**

This favourable variance mainly arose in relation to Interest from Other Financial Institutions \$35,427.

**6. Other Revenue/Income \$43,409**

This favourable variance arose due to unbudgeted insurance rebates received \$44,412.

**7. Employee Costs \$883,564**

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$16,215,365	\$15,403,430	\$811,935
b) Other Employment Costs	\$865,240	\$793,611	\$71,629
	\$17,080,605	\$16,197,041	\$883,564

a) Favourable timing variances for Salaries and Wages arose from the year to date impact of vacancies occurring in various areas at different times.

b) Favourable timing variances arose from Staff Training \$42,389, Capital Works Labour Recovery \$38,855 and Other Employee Costs \$38,221, partially offset by an unfavourable variance from Agency Employees (\$105,020) that partly covers some vacancies noted above.

**8. Materials and Contracts \$2,500,779**

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$2,914,386	\$2,238,442	\$675,944
b) Computing	\$1,327,275	\$664,876	\$662,399
c) Waste Management Services	\$4,712,679	\$4,350,566	\$362,113
d) Professional Fees & Costs	\$773,972	\$557,399	\$216,573
e) Public Relations, Advertising and Promotions	\$258,052	\$117,263	\$140,789
f) Travel, Vehicles & Plant	\$484,959	\$376,145	\$108,814
g) Contributions & Donations	\$325,927	\$236,851	\$89,076
h) Administration	\$253,364	\$167,153	\$86,211
i) Other Materials	\$533,867	\$448,880	\$84,987
Other Materials & Contracts	\$1,349,717	\$1,275,844	\$73,873
	\$12,934,198	\$10,433,419	\$2,500,779

a) Favourable timing variances arose mainly from External Contractors and Services \$517,720, including Parks \$149,511, City Projects \$102,868, Roads \$87,314, Waste Management Services \$80,787 and Natural Areas \$77,012, partially offset by Buildings (\$59,796). A favourable variance also arose on Programme Activities \$112,393. The balances of variances are spread across a number of areas.

- b) Favourable timing variance arose mainly from Computer Software Maintenance \$402,170 and Computer Software Subscriptions \$308,279, partially offset by Computer Software Licences (\$57,233). The balances of variances are spread across a number of areas.
- c) Favourable variance mainly due to General Waste Tipping Fees \$195,185, Collection Recycling & Transport Fees \$124,613, Collection Bulk hard Waste \$76,338, partially offset by Collection Bulk Green Waste (\$59,660). The balances of variances are spread across a number of areas.
- d) A favourable timing variance arose mainly from Consultancy \$106,649. The balances of variances are spread across a number of areas.
- e) This favourable variance mainly arose from Promotions \$52,713. The balances of variances are spread across a number of areas.
- f) A favourable variance arose mainly due to Fuel \$48,196. The balances of variances are spread across a number of areas.
- g) Favourable variance mainly arose due to Donations \$37,836. The balances of variances are spread across a number of areas.
- h) This favourable timing variance arose mainly from Printing \$38,784. The balances of variances are spread across a number of areas.
- i) This favourable variance arose mainly from External Material Purchases Contract \$78,958. The balances of variances are spread across a number of areas.

**9. Utilities**

**\$143,705**

Favourable timing variances arose mainly from Electricity costs for Parks \$98,369 and Buildings \$60,791.

**10. Depreciation & Amortisation of Non-Current Assets**

**\$263,396**

Favourable variances arose for Depreciation Roads Infrastructure \$223,127 and Impairment \$87,404 which will be updated during the mid-year budget review. This was partially offset by an unfavourable variance for Depreciation Footpaths (\$67,730). The balances of variances are spread across a number of areas.

**11. Loss on Asset Disposals**

**\$11,902**

Favourable variance mainly arose due to Loss on Asset Disposal for Fleet and Plant \$11,902.

**12. Interest Expenses**

**\$7,192**

Favourable variances arose mainly due to Interest on Lease Liability \$12,836, partially offset by Interest on Loans \$5,644 due to budget phasing.



**13. Insurance Expenses \$53,608**

Favourable variances arose mainly due to Industrial Special Risk Insurance \$30,608 and Public Liability Insurance \$20,599.

**14. Movement in Non-Current Items \$92,057**

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

**15. Capital Grants and Subsidies \$648,833**

	YTD Budget	YTD Actual	Variance
a) State Governments Grants – Other Capital	-	\$726,000	\$726,000
b) State Government Grants – Direct Grant Roads	\$216,906	\$574,469	\$357,563
c) Other Grants and Subsidies – Other	-	\$159,120	\$159,120
d) State Government Grants Capital – MRRG Grant Roads	\$2,120,799	\$1,560,590	(\$560,209)
Other Grants and Subsidies	\$307,120	\$273,479	(\$33,641)
	<u>\$2,644,825</u>	<u>\$3,293,658</u>	<u>\$648,833</u>

- a) This favourable variance arose due to State Government Election commitments grants received, for which the budget will be updated in October.
- b) This favourable variance arose due to the payment received earlier than expected.
- c) This favourable variance arose from Heritage Precinct Development \$159,120 which was expected in 2020-21.
- d) This unfavourable variance was mainly due to the wait on construction progress of multi year projects RDC2024 Shenton Avenue Upgrade Design (\$272,000), RDC3948 Whitfords Avenue/Gibson Avenue Intersection Upgrade (\$191,245) and RDC2026 Whitfords Avenue/Kingsley (\$78,720) to complete additional grant claims.

**16. Capital Contributions (\$5,236)**

This unfavourable variance arose due to the repayment of contribution from Department of Education for Beldon Primary School on Street Parking as the project was completed under budget.

**17. Other Non-Operating Revenue \$20,668**

This favourable timing variance predominately arose from GST reimbursements in respect of TPRC land sales undertaken \$20,668.

**18. Capital Projects****\$764,725**

This favourable timing variance arose mainly due to Network Infrastructure Upgrade Program \$280,894, Yellagonga Wetlands Smart Monitoring and Management \$128,758, Cafes/Restaurants/Kiosks \$123,960, Customer Service Centralisation Project \$95,703 and CCTV Libraries \$75,000. The balances of variances are spread across a number of areas.


**19. Capital Works**
**\$2,425,759**

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Major Projects Program (MPP)	11	\$2,489,765	\$1,381,033	\$1,108,732	MPP2050 - \$855,168 MPP2058 - \$505,759
b) Road Preservation/Resurfacing Program (RPR)	91	\$1,685,456	\$927,671	\$757,785	RPR3232 - \$158,910 RPR3199 - \$128,151 RPR3201 - \$101,703
c) Streetscape Enhancement Program (SSE)	5	\$351,000	\$44,075	\$306,925	SSE2057 - \$288,420
d) Slab Path Replacement (FPR)	6	\$286,000	\$40,725	\$245,275	FPR2297 - \$195,124
e) Street Lighting Program (STL)	16	\$658,741	\$452,815	\$205,926	STL2003 - \$129,424
f) Parks Equipment Program (PEP)	30	\$387,789	\$304,648	\$83,141	PEP2758 - \$47,507
g) New Paths (FPN)	9	\$68,500	\$14,730	\$53,770	FPN2292 - \$48,238
h) Major Building Capital Works Program (BCW)	17	\$65,515	\$191,199	(\$125,684)	BCW2643 - (\$34,064)
i) Local Traffic Management (LTM)	12	\$217,666	\$301,512	(\$83,846)	LTM2186 - (\$33,673)
j) Major Road Construction Program (RDC)	9	\$416,045	\$487,388	(\$71,343)	RDC2020 - (\$111,872)
Other Programs	55	\$299,175	\$354,097	(\$54,922)	
	261	\$6,925,652	\$4,499,893	\$2,425,759	



- a) A favourable variance arose mainly due to MPP2050 Craigie Leisure Centre \$855,168 and MPP2058 Chichester Park Clubs Redevelopment \$505,759. This was partially offset by unfavourable variances on MPP2069 Percy Doyle Floodlighting (\$195,650), MPP2026 Works Operation Centre (\$123,614) and MPP2013 Warwick Sports Centre (\$67,931).
- b) Favourable variance relates to delays with the program due to weather, causing seven projects to be delayed including RPR3232 Kingsley Drive – Forest Hill Drive to Creane \$158,910, RPR3199 Vista Close \$128,151 and RPR3201 the Loop \$101,703.
- c) A favourable variance mainly relates to SSE2057 Leafy City Program \$288,420.
- d) Favourable variances mainly relates to FPR2297 Coastal Path \$195,124 and FPR2289 Marmion Avenue \$46,431, which are scheduled to commence in October.
- e) A favourable variance mainly arose due to STL2003 Joondalup City Centre Lighting \$129,424 with stage five commencing construction in late September and STL2117 Iluka LED Conversion \$53,818 which is scheduled to commence construction in October.
- f) Favourable variance arose mainly due to PEP2758 Simpson Park Playspace \$47,507 and PEP2527 Huntingdale Playspace \$45,103.
- g) Favourable variance mainly relates to FPN2292 Marmion Avenue (Prendiville Avenue to Shenton Ave) \$48,238.
- h) Unfavourable timing variance mainly arose due to BCW2643 Changeroom Shower Modifications Fleur Freame (\$34,064) which is completed, BCW2450 Environmental Initiatives (\$28,622) and BCW2629 Emerald Park Community Facility Upgrade (\$19,494).
- i) An unfavourable variance mainly relates to LTM2186 Sherington Road (\$33,673) and LTM2003 Bus Shelter/Stops Program (\$25,175) which has commenced construction ahead of schedule.
- j) Unfavourable variance mainly relates to RDC2020 Warwick Erindale Road Intersection Upgrade (\$111,872), partially offset by RDC2024 Shenton Avenue Upgrade Design \$49,685.

## **20. Vehicle and Plant Replacements**

**\$528,000**

A favourable timing variance mainly arose in relation to capital acquisition of four Isuzu Trucks \$470,000.

## **21. Proceeds from Disposal**

**(\$124,000)**

An unfavourable variance arose mainly due to the timing of disposal of fleet and plant items (\$124,000).

**22. Opening Funds****(\$1,228,879)**

The variation in the closing funds for the period ended 30 June 2021 is prior to end of year adjustments being processed. The final balance will be available after the Financial Statements for 2020-21 have been audited.

**23. Closing Funds****(\$6,767,968)**

	<b>June 2021*</b>	<b>September 2021</b>
<b>Current Assets</b>		
Cash and Investments		\$192,801,110
Rates Outstanding, Sundry Debtors and Other Receivables		\$53,149,286
Accrued Income		\$156,980
Prepayments		\$484,685
Inventories		\$153,352
Land Held for Resale		-
<b>Total Current Assets</b>		<b>\$246,745,413</b>
<b>Current Liabilities</b>		
Trade Creditors		\$1,374,248
Sundry Payables		\$19,472,324
Accrued Expenses		\$4,452,649
Other Payables		\$1,221,867
Borrowings		\$1,381,900
Lease Liability		\$368,319
Provision for Annual Leave		\$4,898,594
Provision for Long Service Leave		\$6,593,992
Provision for Purchased Leave		\$163,006
Provision for Workers Compensation Insurance		\$2,779,006
Provision for Sick Leave		\$1,064,275
Other Provisions		\$9,415
<b>Total Current Liabilities</b>		<b>\$43,779,595</b>
<b>Net Current Assets</b>		<b>\$202,965,818</b>
<b>Add back: Borrowings</b>		\$1,381,900
<b>Add back: Lease Liabilities</b>		\$368,319
<b>Add back: Contract Liabilities for developer contributions</b>		-
<b>Less: Cash Backed Reserves</b>		\$85,235,975
<b>Less: Other Items (subject to finalisation of 2020-21 end of year)</b>		\$19,090,516
<b>Less: Non Current Long Service Leave</b>		\$1,359,636
<b>Closing Funds – Surplus/(Deficit)</b>		<b>\$99,029,910</b>

\* Subject to finalisation of 2020-21 end of year