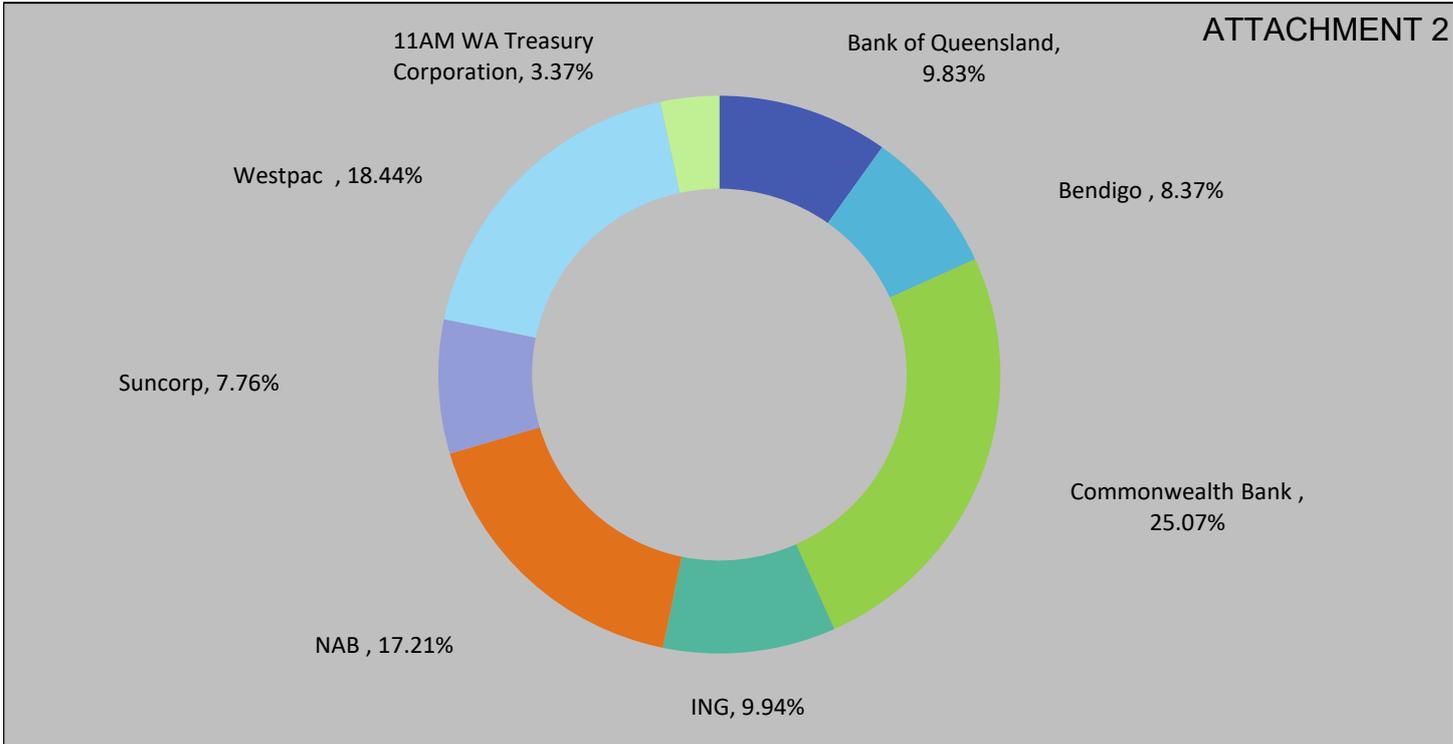


ATTACHMENT 1

	Notes	YTD Amended Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(99,997,776)	(99,747,776)	(99,943,014)	195,238	0%
Specified Area Rates		(704,527)	(704,527)	(707,920)	3,393	0%
Grants and Subsidies		(3,444,625)	(1,046,156)	(1,050,037)	3,881	0%
Contributions Reimbursements and Donations	2	(1,108,156)	(344,054)	(529,545)	185,491	54%
Profit on Asset Disposals	3	(1,402,947)	(5,105)	(213,463)	208,358	100%
Fees and Charges	4	(41,552,470)	(29,562,137)	(29,485,643)	(76,494)	(0)%
Interest Earnings		(666,527)	(270,198)	(277,360)	7,162	3%
Other Revenue/Income	5	(363,164)	(90,791)	(132,799)	42,008	46%
Total Operating Revenue		(149,240,192)	(131,770,744)	(132,339,781)	569,037	0%
OPERATING EXPENSES						
Employee Costs	6	66,183,322	23,111,975	21,848,182	1,263,793	5%
Materials and Contracts	7	69,361,501	17,447,157	14,755,011	2,692,146	15%
Utilities (gas, electricity, water etc.)	8	6,133,858	2,017,596	1,836,912	180,684	9%
Depreciation & Amortisation of Non-Current Assets	9	31,927,323	10,400,215	10,100,104	300,111	3%
Loss on Asset Disposals	10	202,273	77,381	41,058	36,323	47%
Interest Expenses	11	323,391	98,277	106,644	(8,367)	(9)%
Insurance Expenses	12	1,628,739	1,614,549	897,838	716,711	44%
Total Operating Expenses		175,760,407	54,767,150	49,585,749	5,181,401	9%
(SURPLUS)/DEFICIT FROM OPERATIONS		26,520,215	(77,003,594)	(82,754,032)	5,750,438	7%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(31,927,323)	(10,400,215)	(10,100,104)	(300,111)	(3)%
Loss on Asset Disposal		(202,273)	(77,381)	(41,058)	(36,323)	(47)%
Profit on Asset Disposals		1,402,947	5,105	213,463	(208,358)	100%
Movement in Non-current Items	13	(100,000)	(100,000)	(155,415)	55,415	55%
OPERATING CASH (SURPLUS)/DEFICIT		(4,306,434)	(87,576,085)	(92,837,146)	5,261,061	6%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	14	(14,272,120)	(3,711,822)	(3,458,658)	(253,164)	(7)%
Capital Contributions	15	(233,807)	-	(135,891)	135,891	(100)%
Equity Distribution - TPRC		(1,666,667)	-	-	-	0%
Other Non-Operating (GST Reimb TPRC Land Sales)	16	-	-	(77,834)	77,834	100%
Total Non-Operating Revenue		(16,172,594)	(3,711,822)	(3,672,383)	(39,439)	(1)%
CAPITAL EXPENDITURE						
Capital Projects	17	3,129,943	1,412,307	419,074	993,233	70%
Capital Works	18	53,273,505	10,979,764	7,304,966	3,674,798	33%
Vehicle and Plant Replacements	19	2,819,841	1,440,841	51,770	1,389,071	96%
Total Capital Expenditure		59,223,289	13,832,912	7,775,810	6,057,102	44%
CAPITAL (SURPLUS)/DEFICIT		43,050,695	10,121,090	4,103,427	6,017,663	59%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		38,744,261	(77,454,995)	(88,733,719)	11,278,724	15%
FUNDING						
Proceeds from Disposal	20	(1,937,600)	(218,000)	(121,909)	(96,091)	44%
Loans - Repayment of Principal		1,836,595	674,916	674,916	-	0%
Transfer from Trust		(120,529)	-	-	-	0%
Transfer from Reserve		(47,811,278)	-	-	-	0%
Transfer to Reserve		13,232,784	-	-	-	0%
Opening Funds	21	(1,228,878)	(1,228,878)	-	(1,228,878)	(100)%
CLOSING FUNDS	22	2,715,355	(78,226,957)	(88,180,712)	9,953,755	13%

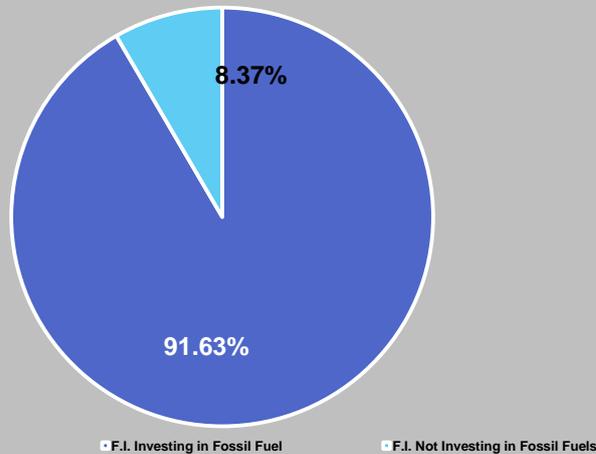


Municipal Funds	\$111,968,003	YTD Return	0.39%
Reserve Funds	\$83,266,997	Benchmark	0.60%
	<u>\$195,235,000</u>	RBA Rate	0.10%

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-*	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 31 OCTOBER 2021 (Subject to end of year finalisation)

1. Rates \$195,238

A favourable variance arose mainly due to Interim Rates \$265,017, partially offset by General Rates (\$68,279).

2. Contributions Reimbursements and Donations \$185,491

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 \$208,358

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 \$172,122.

4. Fees and Charges (\$76,494)

	YTD Budget	YTD Actual	Variance
a) Fines and Penalties	\$385,154	\$75,731	(\$309,423)
b) Refuse Charges	\$21,895,405	\$21,839,029	(\$56,377)
c) Building and Development Fees	\$598,833	\$738,489	\$139,656
d) Inspection and Control Fees	\$997,750	\$1,077,038	\$79,288
Other Fees & Charges	\$5,684,995	\$5,755,356	\$70,361
	<u>\$29,562,137</u>	<u>\$29,485,643</u>	<u>(\$76,494)</u>

a) Unfavourable variance mainly arose from Parking Infringements (\$246,570).

b) Unfavourable variance mainly arose due to Waste Refuse Service Charge (\$66,191).

c) A favourable variance arose mainly due to Building Permits \$50,846 and Development Application Fees \$48,401.

d) Favourable variance arose mainly from Swimming Pool Inspection Fee \$72,555.

5. Other Revenue/Income \$42,008

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

6. Employee Costs**\$1,263,793**

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$21,423,312	\$20,260,050	\$1,163,262
b) Other Employment Costs	\$1,688,663	\$1,588,132	\$100,531
	<u>\$23,111,975</u>	<u>\$21,848,182</u>	<u>\$1,263,793</u>

- a) Favourable timing variances for Salaries and Wages arose from vacancies in various areas.
- b) Favourable timing variances arose from Staff Training \$52,487, Other Employee Costs \$51,627 and Capital Works Labour Recovery \$39,551, partially offset by an unfavourable variance from Agency Employees (\$106,748).

7. Materials and Contracts**\$2,692,146**

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$4,258,616	\$3,266,390	\$992,226
b) Professional Fees & Costs	\$1,006,450	\$657,088	\$349,362
c) Computing	\$1,491,751	\$1,161,800	\$329,951
d) Waste Management Services	\$6,158,392	\$5,860,512	\$297,880
e) Public Relations, Advertising and Promotions	\$344,095	\$176,606	\$167,489
f) Contributions & Donations	\$516,046	\$357,925	\$158,121
g) Administration	\$330,136	\$216,786	\$113,350
h) Travel, Vehicles & Plant	\$622,345	\$515,314	\$107,031
i) Accommodation & Property	\$465,579	\$400,292	\$65,287
Other Materials & Contracts	\$2,253,747	\$2,142,298	\$111,449
	<u>\$17,447,157</u>	<u>\$14,755,011</u>	<u>\$2,692,146</u>

- a) Favourable timing variances arose mainly from External Contractors and Services \$867,834, including Parks \$317,921, Director Infrastructure Services \$156,333 for the Inventory Audit and Condition Assessment, City Projects \$154,201, Natural Areas \$148,047, Roads \$65,143 and Marketing \$51,655, partially offset by Buildings (\$116,773). A favourable variance also arose on Programme Activities \$72,777. The balances of variances are spread across a number of areas.
- b) Favourable timing variance arose mainly from Consultancy \$203,746 and Lodgement Fees \$62,578. The balances of variances are spread across a number of areas.
- c) Favourable variance mainly due to Computer Software Subscriptions \$255,107 and Computer Software Maintenance \$122,940, partially offset by Computer Software Licences (\$61,937). The balances of variances are spread across a number of areas.
- d) A favourable variance arose mainly from General Waste Tipping Fees \$415,144, partially offset by Bulk Green Waste Processing (\$63,502), Bulk Hard Waste Collection (\$53,907) and Processing Recycling & Government Levy (\$51,976). The balances of variances are spread across a number of areas.

- e) This favourable variance mainly arose from Promotions \$59,595 and General Advertising \$48,870. The balances of variances are spread across a number of areas.
- f) A favourable variance arose mainly due to Grants & Contributions Made \$87,353. The balances of variances are spread across a number of areas.
- g) Favourable variance mainly arose due to Other Sundry Expenses \$38,909 and Printing \$34,569. The balances of variances are spread across a number of areas.
- h) This favourable variance arose mainly from Fuel \$57,115. The balances of variances are spread across a number of areas.
- i) This favourable variance arose mainly from Council Rates (CoJ Properties) \$57,233 and Refuse Removal Charges \$54,980, partially offset by Water Rates (CoJ Properties) (\$69,421). The balances of variances are spread across a number of areas.

8. Utilities**\$180,684**

Favourable timing variances arose mainly from Electricity costs for Parks \$132,878 and Buildings \$71,359.

9. Depreciation & Amortisation of Non-Current Assets**\$300,111**

Favourable variances arose for Depreciation Roads Infrastructure \$286,738, Depreciation Open Reserves \$58,870 and Impairment \$87,404 which will be processed as part of end of financial year processes. This was partially offset by an unfavourable variance for Depreciation Footpaths (\$94,503) and Depreciation Computer & Communications Hardware (\$64,700). The balances of variances are spread across a number of areas.

10. Loss on Asset Disposals**\$36,323**

Favourable variance mainly arose due to Loss on Asset Disposal for Fleet and Plant \$36,323.

11. Interest Expenses**(\$8,367)**

Unfavourable variances arose mainly due to Interest of Lease Liability (\$8,367).

12. Insurance Expenses**\$716,711**

Favourable timing variances arose mainly due to Industrial Special Risk Insurance \$367,218 and Public Liability Insurance \$348,379.

13. Movement in Non-Current Items**\$55,415**

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

14. Capital Grants and Subsidies (\$253,164)

	YTD Budget	YTD Actual	Variance
a) State Governments Grants – MRRG Grant Roads	\$2,120,799	\$1,560,590	(\$560,209)
b) Commonwealth Grants –Capital Other	\$542,000	-	(\$542,000)
c) Commonwealth Grants – Capital Roads to Recovery	\$335,000	\$78,999	(\$256,001)
d) State Government Grants Capital – Capital Other	\$289,997	\$891,000	\$601,003
e) State Government Grants – Capital Direct Grant Roads	\$216,906	\$574,469	\$357,563
f) Other Grants and Subsidies – Capital	-	\$159,120	\$159,120
Other Grants and Subsidies	\$207,120	\$194,480	(\$12,640)
	<u>\$3,711,822</u>	<u>\$3,458,658</u>	<u>(\$253,164)</u>

- a) First 40% grant claims received in early September and awaiting construction progression of multi year projects RDC2024 Shenton Ave (\$272,000), RDC2024 Whitfords Ave/Gibson Ave (\$191,245) and RDC2026 Whitfords Ave/Kingsley (\$78,720).
- b) LRCI phase 2 first quarterly report awaiting payment.
- c) Fourth quarterly payment received from 2020-21 which was lower than expected.
- d) This favourable variance arose due to State Government Election commitments received.
- e) Direct Grant Claims received and variance is caused by incorrect phasing.
- f) This favourable variance arose from Heritage Precinct Development \$159,120 which was expected in 2020-21.

15. Capital Contributions \$135,891

This favourable variance mainly arose due to contributions received for Iluka Sports Club Refurbishment following fire \$121,137.

16. Other Non-Operating Revenue \$77,834

This favourable timing variance predominately arose from GST reimbursements in respect of TPRC land sales undertaken \$77,837.

17. Capital Projects**\$993,233**

This favourable timing variance arose mainly due to Network Infrastructure Upgrade Program \$280,894, Yellagonga Wetlands \$202,336, Cafes/Restaurants/Kiosks \$157,408 Customer Service Centralisation \$129,966 and CCTV Libraries \$75,000. The balances of variances are spread across a number of areas.


18. Capital Works
\$3,674,798

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Major Projects Program (MPP)	11	\$4,066,236	\$1,709,446	\$2,356,790	MPP2050 - \$1,185,368 MPP2058 - \$805,116
b) Slab Path Replacement (FPR)	6	\$886,000	\$47,029	\$838,971	FPR2297 - \$640,816 FPR2289 - \$195,359
c) Road Preservation/Resurfacing Program (RPR)	91	\$2,317,456	\$1,663,812	\$653,644	RPR3161 - \$105,143 RPR3196 - \$101,319 RPR3201 - \$67,531
d) Streetscape Enhancement Program (SSE)	5	\$359,000	\$49,020	\$309,980	SSE2057 - \$287,127
e) New Paths (FPN)	9	\$301,641	\$77,394	\$224,247	FPN2292 - \$197,046
f) Parks Equipment Program (PEP)	32	\$708,289	\$501,167	\$207,122	PEP2757 - \$53,790 PEP2799 - \$52,207
g) Parks Development Program (PDP)	30	\$305,181	\$227,659	\$77,522	PDP2342 - \$50,438
h) Street Lighting Program (STL)	16	\$773,741	\$1,128,163	(\$354,422)	STL2117 - (\$186,557) STL2003 - (\$144,892)
i) Major Building Capital Works Program (BCW)	18	\$65,515	\$387,974	(\$322,459)	BCW2629 - (\$126,943) BCW2642 - (\$62,514)
j) Major Road Construction Program (RDC)	9	\$571,045	\$755,737	(\$184,692)	RDC2020 - (\$250,310) RDC2024 - \$82,916
k) Parking Facilities Program (PFP)	8	\$101,392	\$253,315	(\$151,923)	PFP2095 - \$153,820
Other Programs	30	\$524,268	\$504,250	\$20,018	
	265	\$10,979,764	\$7,304,966	\$3,674,798	

- a) A favourable variance arose mainly due to MPP2050 Craigie Leisure Centre \$1,185,368, MPP2058 Chichester Park Clubs Redevelopment \$805,116 and MPP2069 Percy Doyle Floodlighting \$212,314. This was partially offset by an unfavourable variance on MPP2026 Works Operation Centre (\$133,891) and MPP2013 Warwick Sports Centre (\$91,338).
- b) Favourable variances mainly relates to FPR2297 Coastal Path West View Bld to Marina \$640,816 and FPR2289 Marmion Avenue (Delamere to Burns Beach) \$195,359, which are expected to be completed by December.
- c) Favourable variance relates to delays with the program due to weather, causing seven projects to be delayed. Favourable variance also arose on projects completed which are awaiting final invoices including RPR3161 Littorina Ave – Admiral Grv to Janthina \$105,143, RPR3196 Fennellia Crescent \$101,319 and RPR3201 the Loop \$67,531.
- d) A favourable variance mainly relates to SEE2057 Leafy City Program \$287,127.
- e) Favourable variance mainly relates to FPN2292 Marmion Avenue (Prendiville Avenue to Shenton Ave) \$197,046.
- f) Favourable variance arose mainly due to PEP2757 Kingsley Park Playspace Renewal \$53,790 and PEP2799 Leichardt Park Playspace Renewal \$52,207.
- g) A favourable variance mainly arose due to PDP2342 Charonia Park Irrigation Network \$50,438, PDP2252 Tree Planting Program \$40,378 and PDP2336 Fencing of Playspace \$30,000.
- h) An unfavourable variance mainly arose due to STL2117 Iluka LED Conversion (\$186,557) to which additional LRCI Phase Two funds will be allocated and STL2003 Joondalup City Centre Lighting (\$144,892) which has commenced construction on Stage 5.
- i) Unfavourable variance mainly arose due to BCW2629 Emerald Park Community Facility Upgrade (\$126,943), BCW2642 Cultural Activity Functional Upgrade (\$62,514) and BCW2643 Changeroom Shower Modifications Fleur Freame (\$43,000).
- j) Unfavourable variance mainly relates to RDC2020 Warwick Erindale Road Intersection Upgrade (\$250,310), partially offset by RDC2024 Shenton Avenue Upgrade Design \$82,916.
- k) An unfavourable variance mainly arose due to PFP2095 Iluka Beach Park Carpark Reconfiguration (\$153,820).

19. Vehicle and Plant Replacements
\$1,389,071

A favourable variance mainly arose in relation to capital acquisition of six Isuzu Trucks \$679,091, a Mistral Road Sweeper \$375,000, a tractor \$111,900 and an Amazone Verimower \$68,850.

20. Proceeds from Disposal
(\$96,091)

An unfavourable variance arose mainly due to lower than expected proceeds received from the disposal of fleet (\$96,091).

21. 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.

22. Closing Funds**\$9,953,755**

	June 2021*	October 2021
Current Assets		
Cash and Investments		\$196,128,053
Rates Outstanding, Sundry Debtors and Other Receivables		\$38,636,588
Accrued Income		\$196,734
Prepayments		\$548,942
Inventories		\$141,777
Land Held for Resale		-
Total Current Assets		\$235,652,094
Current Liabilities		
Trade Creditors		\$1,441,697
Sundry Payables		\$19,091,767
Accrued Expenses		\$3,988,202
Other Payables		\$1,221,867
Borrowings		\$1,161,678
Lease Liability		\$286,120
Provision for Annual Leave		\$4,886,727
Provision for Long Service Leave		\$6,554,733
Provision for Purchased Leave		\$168,196
Provision for Workers Compensation Insurance		\$3,551,353
Provision for Sick Leave		\$1,046,926
Other Provisions		\$9,415
Total Current Liabilities		\$43,408,681
Net Current Assets		\$192,243,403
Add back: Borrowings		\$1,161,678
Add back: Lease Liabilities		\$286,120
Add back: Contract Liabilities for developer contributions		-
Less: Cash Backed Reserves		\$85,235,975
Less: Other Items (subject to finalisation of 2020-21 end of year)		\$18,914,888
Less: Non Current Long Service Leave		\$1,359,636
Closing Funds – Surplus/(Deficit)		\$88,180,712

* Subject to finalisation of 2020-21 end of year