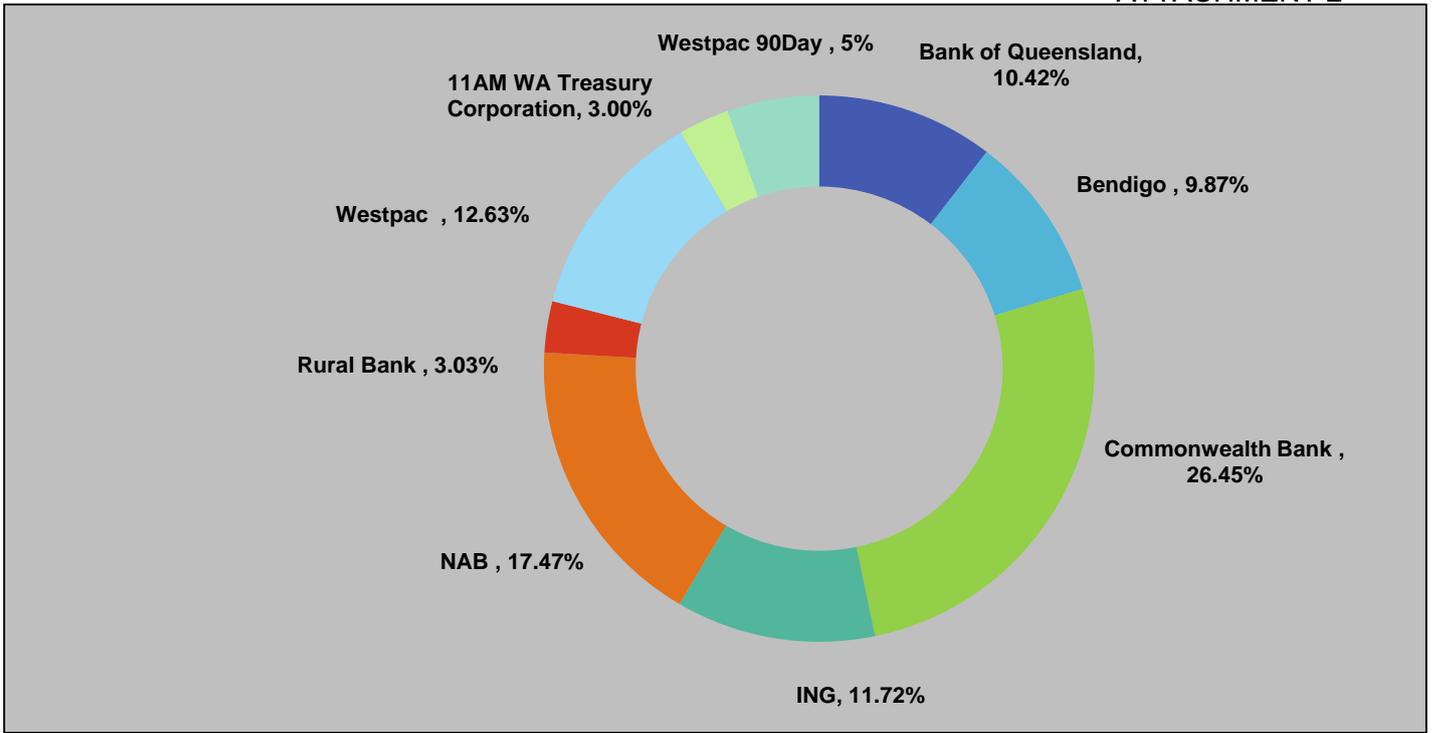


	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(98,299,517)	(98,299,518)	(98,536,954)	237,436	0%
Specified Area Rates		(712,913)	(712,913)	(713,830)	917	0%
Grants and Subsidies	2	(4,361,215)	(3,444,470)	(2,971,280)	(473,190)	(14)%
Contributions Reimbursements and Donations	3	(1,101,411)	(912,329)	(1,160,220)	247,891	27%
Profit on Asset Disposals	4	(1,272,356)	(1,272,164)	(2,312,510)	1,040,346	82%
Fees and Charges	5	(39,753,128)	(38,344,658)	(38,666,956)	322,298	1%
Interest Earnings		(1,448,715)	(1,391,518)	(1,430,221)	38,703	3%
Other Revenue/Income	6	(581,584)	(491,944)	(560,530)	68,586	14%
Total Operating Revenue		(147,530,839)	(144,869,513)	(146,352,501)	1,482,988	1%
OPERATING EXPENSES						
Employee Costs	7	63,237,543	57,959,962	54,703,967	3,255,995	6%
Materials and Contracts	8	53,502,769	44,988,944	40,506,658	4,482,286	10%
Utilities (gas, electricity, water etc.)	9	6,023,862	5,457,801	5,107,666	350,135	6%
Depreciation & Amortisation of Non-Current Assets	10	32,879,000	28,296,232	28,161,876	134,356	0%
Loss on Asset Disposals	11	270,581	191,531	91,955	99,576	52%
Interest Expenses	12	385,405	338,810	361,456	(22,646)	(7)%
Insurance Expenses		1,458,177	1,455,169	1,455,034	135	0%
Total Operating Expenses		157,757,337	138,688,450	130,388,612	8,299,838	6%
(SURPLUS)/DEFICIT FROM OPERATIONS		10,226,498	(6,181,063)	(15,963,889)	9,782,826	158%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(32,879,000)	(28,296,232)	(28,161,876)	(134,356)	(0)%
Loss on Asset Disposal		(270,581)	(191,531)	(91,955)	(99,576)	(52)%
Profit on Asset Disposals		1,272,356	1,272,164	2,312,510	(1,040,346)	(82)%
Movement in Non-current Items	13	(100,000)	-	8,021	(8,021)	(100)%
OPERATING CASH (SURPLUS)/DEFICIT		(21,750,727)	(33,396,662)	(41,897,189)	8,500,527	25%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	14	(11,417,861)	(8,041,124)	(10,029,786)	1,988,662	25%
Capital Contributions	15	(1,254,745)	(804,745)	(1,045,374)	240,629	30%
Equity Distribution - TPRC		(500,000)	-	-	-	0%
Other Non-Operating Revenue	16	(170,589)	(170,589)	(319,304)	148,715	87%
Total Non-Operating Revenue		(13,343,195)	(9,016,458)	(11,394,464)	2,378,006	9%
CAPITAL EXPENDITURE						
Capital Projects	17	2,216,411	2,064,685	1,494,238	570,447	28%
Capital Works	18	43,721,775	31,476,713	25,110,066	6,366,647	20%
Vehicle and Plant Replacements	19	2,467,156	1,885,156	1,540,323	344,833	18%
Total Capital Expenditure		48,405,341	35,426,554	28,144,627	7,281,927	21%
CAPITAL (SURPLUS)/DEFICIT		35,062,145	26,410,096	16,750,163	9,659,933	37%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		13,311,419	(6,986,566)	(25,147,026)	18,160,460	260%
FUNDING						
Proceeds from Disposal	20	(2,029,485)	(2,016,548)	(1,929,094)	(87,454)	(4)%
Loans - New Borrowings		-	-	-	-	0%
Loans - Repayment of Principal		2,445,660	2,117,863	2,117,863	-	0%
Transfer from Trust		(95,588)	-	-	-	0%
Transfer from Reserve		(31,109,519)	-	-	-	0%
Transfer to Reserve		37,062,477	-	-	-	0%
Opening Funds		(19,608,893)	(19,608,893)	(19,608,893)	-	0%
CLOSING FUNDS	21	(23,929)	(26,494,144)	(44,567,150)	18,073,006	68%

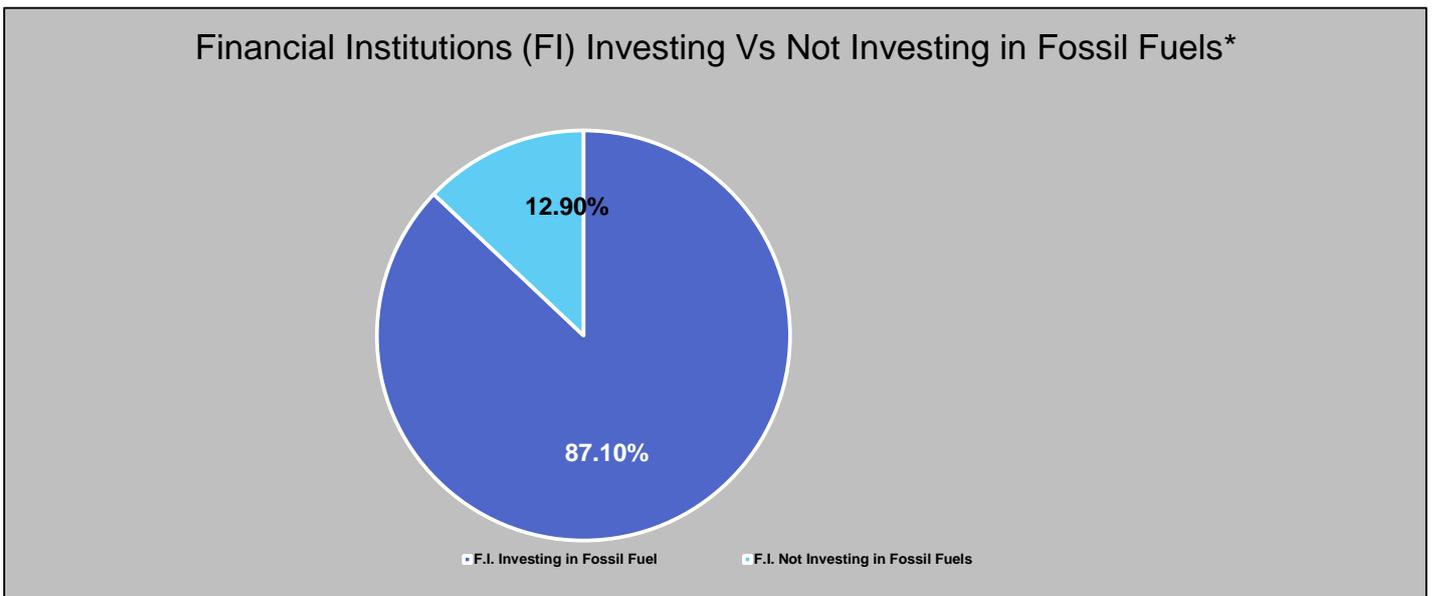
INVESTMENT SUMMARY



Municipal Funds	\$72,844,646	YTD Return	0.83%
Reserve Funds	\$75,560,354	Benchmark	0.60%
	<u>\$148,405,000</u>	RBA Rate	0.10%

Investment Policy Limits					
	LT Rating	Limit		LT Rating	Limit
Bank of Queensland	A-*	10%	NAB	AA-	25%
Bendigo	A-*	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



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

NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 MAY 2021
1. Rates \$237,436

A favourable variance arose mainly due to additional Interim Rates \$245,763.

2. Grants and Subsidies (\$473,190)

This unfavourable variance mainly arose due to timing of the Fire Mitigation Grant (\$117,000), Beach Cleaning and Sand Drift (\$75,000) as well as phasing of the Federal Road (FLRG) Grant (\$415,762). This was partially offset by a favourable timing variance from Smart Cities & Suburbs Grant received for Yellagonga Wetlands \$149,103.

3. Contributions Reimbursements and Donations \$247,891

This favourable variance mainly arose due to Other Miscellaneous Reimbursements \$235,135, primarily due to reimbursements from Cleanaway of additional costs incurred by the City for recycling processing and Insurance \$102,437, partially offset by an unfavourable variance on Legal Fees Recoverable (\$65,979). The balances of variances are spread across a number of areas.

4. Profit on Asset Disposal \$1,040,346

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 \$1,019,863.

5. Fees and Charges \$322,298

	YTD Budget	YTD Actual	Variance
a) Building and Development	\$1,789,051	\$2,274,843	\$485,792
b) Sports and Recreation Fees	\$8,152,969	\$8,028,331	(\$124,638)
c) Fines and Penalties	\$583,785	\$529,153	(\$54,632)
Other Fees & Charges	\$27,818,853	\$27,834,629	\$15,776
	<u>\$38,344,658</u>	<u>\$38,666,956</u>	<u>\$322,298</u>

a) Favourable variance arose from Development Application Fees \$220,916, Building Permits \$159,613 and Land Purchase Enquiries \$65,129.

b) Unfavourable variances arose in relation to Admission Fees (\$83,741), Court Sport Revenue (\$92,433) predominantly from Craigie Leisure Centre, due to the closures due to COVID-19. This was partially offset by Park Hire \$86,875.

c) Unfavourable variance arose mainly due to Parking Infringements (\$54,247).

6. Other Revenue/Income \$68,586

This favourable timing variance mainly arose due to Illuminated Bus Shelter Revenue \$46,187.

7. Employee Costs \$3,255,995

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$56,226,660	\$53,318,088	\$2,908,572
b) Other Employment Costs	\$1,733,302	\$1,385,879	\$347,423
	<u>\$57,959,962</u>	<u>\$54,703,967</u>	<u>\$3,255,995</u>

a) Favourable timing variances for Salaries and Wages arose from impact of vacancies in various areas at various times during the financial year.

b) Favourable timing variances arose from Staff Training \$148,196, Conferences and Seminars \$119,659 and Staff Uniforms/Protective Clothing \$47,774.

8. Materials and Contracts \$4,482,286

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$12,943,833	\$11,552,776	\$1,391,057
b) Professional Fees & Costs	\$1,945,621	\$1,401,523	\$544,098
c) Other Materials	\$2,074,846	\$1,641,502	\$433,344
d) Public Relations, Advertising and Promotions	\$1,062,639	\$653,761	\$408,878
e) Furniture, Equipment and Artworks	\$2,335,931	\$2,002,808	\$333,123
f) Travel, Vehicles & Plant	\$1,558,985	\$1,241,904	\$317,081
g) Administration	\$1,000,150	\$741,580	\$258,570
h) Waste Management Services	\$15,955,209	\$15,700,840	\$254,369
i) Contributions & Donations	\$1,158,398	\$1,021,771	\$136,627
j) Accommodation & Property	\$833,736	\$723,818	\$109,918
k) Charges and Recoveries	(\$65,953)	(\$157,962)	\$92,009
l) Telephones and Communication	\$732,816	\$645,786	\$87,030
m) Members Costs	\$659,284	\$593,140	\$66,144
Other Materials & Contracts	\$2,788,976	\$2,738,938	\$50,038
	<u>\$44,984,474</u>	<u>\$40,502,185</u>	<u>\$4,482,286</u>

a) Favourable timing variances arose mainly from External Contractors and Services \$1,098,993, including Parks \$340,844, Natural Areas \$180,823, Waste Management Services \$112,826, Cultural Services \$122,754 and Engineering Maintenance \$102,511. In addition, Programme Activities also reflected a favourable variance of \$231,269. The balances of variances are spread across a number of areas.

b) Favourable variance arose from Consultancy \$176,556, Lodgement Fees \$109,219, Legal Expenses Recoverable \$88,384 and Waste Initiatives – Recycling and



Promotional Activities \$80,000. The balances of variances are spread across a number of areas.

- c) This favourable timing variance arose mainly due to External Material Purchases Contract \$418,566 predominately in relation to Parks \$255,213 and Roads \$122,657. The balances of variances are spread across a number of areas.
- d) Favourable variance arose mainly from General Advertising \$142,055, Promotions \$80,929 and Catering \$91,367. The balances of variances are spread across a number of areas.
- e) A favourable variance arose mainly from Hire of Equipment \$103,575, Plant & Equipment Maintenance & Repair \$93,990, Computer & Communications Equipment Purchases-Minor \$65,705 and Computer & Communications Equipment Maintenance & Repair \$56,738. The balances of variances are spread across a number of areas.
- f) This favourable variance arose mainly from Fuel \$206,914 due to an earlier reduction in price compared to budget estimates, Vehicle Servicing Costs \$34,579 and Tyres & Tubes \$26,404. The balances of variances are spread across a number of areas.
- g) Favourable timing variance arose mainly from Printing \$108,061, Photography and Video Production \$66,568 and Stationary \$38,873. The balances of variances are spread across a number of areas.
- h) This favourable variance arose mainly from Recycling Processing & Govt Levy \$267,624. The balances of variances are spread across a number of areas.
- i) Favourable timing variance arose from Grants & Contributions Made \$46,229, Sponsorship \$43,515 and Prizes & Trophies \$33,588. The balances of variances are spread across a number of areas.
- j) This favourable variance arose mainly from Refuse Removal Charges \$92,212. The balances of variances are spread across a number of areas.
- k) A favourable variance arose mainly from savings in Vehicle Running Expenses.
- l) This favourable variance arose mainly from Postage, Courier and Freight Services \$73,863. The balances of variances are spread across a number of areas.
- m) This favourable variance arose mainly from Elected Members Conference and Training Expenses \$45,155. The balances of variances are spread across a number of areas.

9. Utilities

\$350,135

Favourable timing variances arose mainly from Electricity costs for Buildings \$149,151, Parks \$108,611 and Roads \$71,229.

10. Depreciation & Amortisation of Non-Current Assets

\$134,356



Favourable variances arose for Depreciation Roads Infrastructure \$69,854 and Depreciation Right of Use (ROU) assets \$54,969. The balances of variances are spread across a number of areas.

11. Loss on Asset Disposals \$99,576

Favourable variance mainly arose due to Loss on Asset Disposal for Fleet and Plant \$103,316.

12. Interest Expenses (\$22,646)

Unfavourable variance mainly arose due to Lease Liability Interest (\$22,976) following new leases entered into for gym equipment at Craigie Leisure Centre, which includes lease payments in advance, that will be adjusted in the following month.

13. Movement in Non-Current Items (\$8,021)

This timing variance arose in respect of a decrease in Non-current Long Service Leave Liability.

14. Capital Grants and Subsidies \$1,988,662

	YTD Budget	YTD Actual	Variance
a) Commonwealth Grants – Capital Other	\$1,392,164	\$3,801,704	\$2,409,540
b) Other Grants and Subsidies – Capital Other	\$148,293	\$392,293	\$244,000
c) State Government Grants – Capital Other	-	\$100,160	\$100,160
d) Commonwealth Grant-Capital Blackspot	\$984,000	\$492,000	(\$492,000)
e) State Government Grants – Capital Black Spot	\$399,721	\$235,054	(\$164,667)
f) Commonwealth Grants – Capital Roads to Recovery	\$1,532,000	\$1,376,756	(\$155,244)
State Government Grants – Capital MRRG Grant Roads	\$3,584,946	\$3,631,819	\$46,873
	<u>\$8,041,124</u>	<u>\$10,029,786</u>	<u>\$1,988,662</u>

- a) This favourable variance arose from Income received earlier than expected from Local Roads and Communities Infrastructure Grant (LRCI) phase two \$2,540,849. The unspent portion of this grant at the end of the financial year will be excluded from revenue and reflected as a liability in accordance with accounting standards requirements. This is offset by unfavourable variances valuing (\$130,809) for Local Roads and Communities Infrastructure Grant (LRCI) phase one.
- b) This favourable variance mainly arose due to STL2057 Timberlane Park Floodlighting \$160,000 and PFP2079 Beldon Primary School \$90,000 which has been received earlier than expected.
- c) Favourable variance due to the final payment for PEP2707 Whitfords Nodes Park Health & Wellbeing Hub \$100,160.
- d) This unfavourable variance arose due to the timing on the 2nd 40% payment relating to SBS2090 Marmion Ave and Cambria (\$198,000) and SBS2037 Marmion/McWhae Intersection (\$294,000) with the funds expected July 2021.
- e) Unfavourable variances due to final payments for SBS2086 Ocean Reef Road (\$138,000) and SBS2089 Hepburn Avenue (\$26,667) not likely to be received until June.
- f) Unfavourable variance due to the Roads to Recovery grant program completed under budget.

15. Capital Contributions
\$240,629

This favourable timing variance predominately arose in respect of the Works Operation Centre Extension \$168,182 and \$50,321 in relation to Iluka Sports Club Refurbishment following the recent fire. The balances of variances are spread across a number of areas.

16. Other Non-Operating Revenue
\$148,715

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

17. Capital Projects
\$570,447

This favourable timing variance arose due to progress of IT Disaster Recovery Facilities \$158,759, Network Infrastructure Upgrade Program \$49,725, Cafes/Restaurants/Kiosks \$87,081, Yellagonga Wetlands – Smart Monitoring and Management \$71,007 and Automation Accounts Payable \$54,390. The balances of variances are spread across a number of areas.


18. Capital Works
\$6,366,647

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Major Road Construction Program (RDC)	8	\$3,743,255	\$2,071,518	\$1,671,737	RDC2021 - \$669,225 RDC2020 - \$681,453 RDC2024 - \$176,603
b) Street Lighting Program (STL)	24	\$3,877,305	\$2,588,417	\$1,288,888	STL2003 - \$795,305 STL2057 - \$209,752 STL2102 - \$60,335
c) Road Preservation/Resurfacing Program (RPR)	105	\$7,067,851	\$6,154,146	\$913,705	RPR2010 - \$166,000 RPR3160 - \$112,760 RPR3132 - \$112,406
d) Major Projects Program (MPP)	11	\$2,336,184	\$1,511,836	\$824,348	MPP2069 - \$514,428 MPP2072 - \$248,241
e) Stormwater Drainage (SWD)	14	\$939,834	\$415,787	\$524,047	SWD2228 - \$168,300 SWD2190 - \$116,875
f) Local Traffic Management (LTM)	14	\$841,842	\$590,079	\$251,763	LTM2179 - \$159,572 LTM2172 - \$70,959
g) Parks Equipment Program (PEP)	44	\$2,174,253	\$1,950,733	\$223,520	PEP2528 - \$102,237 PEP2827 - \$54,938
h) Foreshore Natural Area Program (FNM)	16	\$974,751	\$765,178	\$209,573	FNM2084 - \$92,625 FNM2083 - \$34,158
i) Streetscape Enhancement Program (SSE)	5	\$929,244	\$767,122	\$162,122	SSE2056 - \$119,892
j) Parking Facilities Program (PFP)	9	\$459,193	\$306,551	\$152,642	PFP2074 - \$122,907 PFP2077 - \$36,062
k) New Path Program (FPN)	17	\$1,443,539	\$1,311,011	\$132,528	FPN2272 - \$110,256
l) Path Replacement Program (FPR)	37	\$1,339,855	\$1,212,376	\$127,479	FPR2252 - \$61,944
m) Parks Development Program (PDP)	43	\$2,024,292	\$1,936,607	\$87,685	PDP2335 - \$81,917



n)	Major Building Capital Works Program (BCW)	22	\$2,718,709	\$2,648,485	\$70,224	BCW2646 - \$194,116 BCW2562 - \$93,521 BCW2638 - (\$244,108)
o)	Blackspot Program (SBS)	6	\$606,606	\$880,220	(\$273,614)	SBS2037 - (\$395,507) SBS2086 - \$123,556
		<hr/>	<hr/>	<hr/>	<hr/>	
		375	\$31,476,713	\$25,110,066	\$6,366,647	

- a) This favourable variance predominantly relates to RD2021 Whitfords Avenue/Northshore roundabout \$669,225 which is currently in progress. Other timing variances relate to projects currently in progress including RDC2020 Warwick Road/Erindale \$681,453 and RDC2024 Shenton Avenue \$176,603.
- b) This favourable variance predominantly relates to STL2003 Joondalup City Centre Lighting \$795,305, STL2057 Timberlane Park \$209,752 and STL2102 Greenwich Park \$60,335 which are all currently in progress.
- c) Favourable variances across the program mainly relate to the 89 completed projects totalling \$575,636 and awaiting outstanding invoices. Favourable variance also due to RPR3132 Bernard Manning Drive \$112,406 which is currently in progress. Other positive variances relate to several projects currently in progress.
- d) A favourable variance mainly arose due to timing of projects currently in progress including MPP2069 Percy Doyle – Floodlighting \$514,428, MPP2058 Chichester Park \$232,962, MPP2077 Cafes/Kiosks/Restaurants Burns Beach \$100,000 and MPP2072 Percy Doyle – Utilities \$248,241.
- e) A favourable timing variance mainly arose due to timing of projects currently in progress including SWD2190 Cliff Street Sump Beautification \$116,876, SWD2226 Whitfords East Park Sump Beautification \$88,410, SWD2211 Pipeline Rehab \$70,000 and SWD2222 Marri Park \$63,971. Other favourable variance occurred in respect of SWD2228 Quay Court \$168,300 which is a multi year project.
- f) Local Traffic Management variances mainly relates to LTM2179 Endeavour/Cook/Kebble – Pedestrian Upgrade \$159,572. In addition, a timing variance arose on LTM2172 Hepburn Allenswood \$70,959.
- g) Favourable variance mainly arose due to PEP2528 Kallaroo Park \$102,237 and PEP2827 Seacrest Park \$54,938 which are delayed. The balance is spread across a number of projects.
- h) This favourable variance predominantly relates to FNM2084 Warwick Open Space Bushland \$92,625, FNM2083 Central Park \$30,844 and FNM2087 Ledge Park \$18,000 which have been completed.
- i) Favourable variance mainly arose due to timing of SSE2056 City Centre Streetscape \$119,892 and SSE2058 Whitfords Ave \$100,407, partially offset by SSE2057 Leafy City Program (\$56,644).
- j) Parking Facilities Program favourable variance occurred on PFP2074 Key West Car Park \$122,907 currently in progress and PFP2077 Candlewood Blvd \$36,062 which has been completed under budget.
- k) Favourable timing variances mainly due to FPN2272 Lane 3 to Cliff Street Pathway \$110,256 which has been completed.
- l) Path Replacement Program timing favourable variances occurred on FPR2252 Hepburn Ave-Glengarry to Walter \$61,944 currently in progress and FPR2266 Lake Yellagonga \$30,895 completed under budget.

- m) This favourable timing variance occurred on PDP2335 Irrigation Smart Controllers \$81,917.
- n) Favourable variances mainly relate to timing of BCW2646 Belrose Park Toilet \$194,116 and BCW2562 Ellersdale Park Clubrooms \$93,521 which will be carried forward to 2021-22. This was partially offset by an unfavourable timing variance due to BCW2638 Joondalup Library Refurbishment (\$244,108) which has been completed.
- o) Black Spot program unfavourable variance mainly relates to the project progression of SBS2037 Marmion/McWhae (\$395,507), partially offset by SBS2086 Ocean Reef Road \$123,556 which has been completed and is awaiting final invoices.

19. Vehicle and Plant Replacements**\$344,833**

A favourable variance arose mainly in relation to the timing of capital acquisition of two Trucks \$240,000 and one Amazone Verimower \$66,000. Orders totalling \$528,554 are currently awaiting delivery.

20. Proceeds from Disposal**(\$87,454)**

An unfavourable variance arose mainly due to lower than expected proceeds received from the disposal of fleet (\$83,713).

21. Closing Funds**18,073,006**

	June 2020	May 2021
Current Assets		
Cash and Investments	\$125,037,776	\$150,909,443
Rates Outstanding, Sundry Debtors and Other Receivables	\$5,559,755	\$5,398,883
Accrued Income	\$983,654	\$455,276
Prepayments	\$443,960	\$674,633
Inventories	\$135,252	\$128,442
Land Held for Resale	\$1,649,532	-
Total Current Assets	\$133,809,929	\$157,566,677
Current Liabilities		
Trade Creditors	\$4,934,820	\$1,357,197
Sundry Payables	\$555,119	\$4,325,067
Accrued Expenses	\$3,906,427	\$4,365,845
Other Payables	\$4,726,047	\$1,221,867
Borrowings	\$2,445,660	\$327,797
Lease Liability	\$362,194	\$25,099
Provision for Annual Leave	\$4,937,838	\$4,682,631
Provision for Long Service Leave	\$6,444,938	\$6,433,139
Provision for Purchased Leave	\$92,539	\$139,857
Provision for Workers Compensation Insurance	\$2,048,076	\$2,794,320



Provision for Sick Leave	\$1,114,783	1,074,579
Other Provisions	\$66,705	\$9,414
Total Current Liabilities	\$31,635,146	\$26,756,812
Net Current Assets	\$102,174,783	\$130,809,865
Add back: Borrowings	\$2,445,660	\$327,797
Add back: Lease Liabilities	\$362,194	\$25,099
Add back: Contract Liabilities for developer contributions	\$1,221,867	-
Less: Cash Backed Reserves	\$86,595,611	\$86,595,611
Closing Funds – Surplus/(Deficit)	\$19,608,893	\$44,567,150