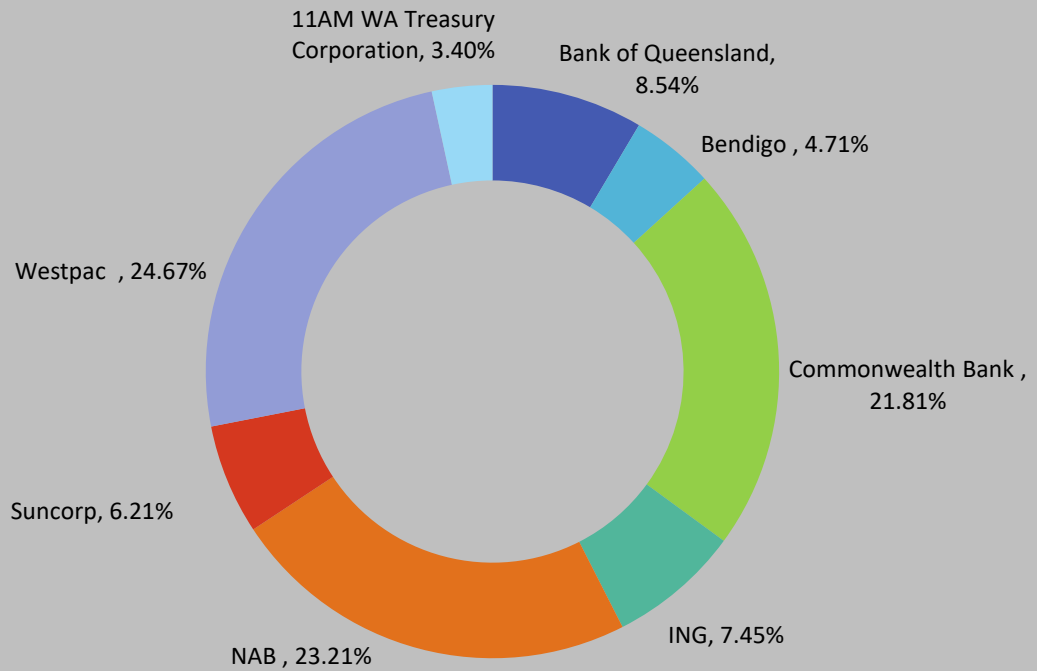


	Notes	Amended Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates		(104,599,384)	(104,349,384)	(104,350,070)	686	0%
Specified Area Rates		(727,440)	(727,440)	(727,439)	(1)	(0)%
Grants and Subsidies	1	(1,606,171)	(292,793)	(449,289)	156,496	53%
Contributions Reimbursements and Donations	2	(1,428,862)	(293,996)	(370,089)	76,093	26%
Profit on Asset Disposals	3	(1,436,831)	-	(50,299)	50,299	100%
Fees and Charges	4	(42,474,492)	(28,010,993)	(27,790,981)	(220,012)	(1)%
Interest Earnings	5	(1,252,345)	(312,188)	(982,149)	669,961	100%
Other Revenue/Income	6	(362,000)	(90,500)	(716,272)	625,772	100%
Total Operating Revenue		(153,887,525)	(134,077,294)	(135,436,588)	1,359,294	1%
OPERATING EXPENSES						
Employee Costs	7	68,399,625	17,697,352	16,665,125	1,032,227	6%
Materials and Contracts	8	56,458,392	12,987,774	10,592,681	2,395,093	18%
Utilities (gas, electricity, water etc.)	9	5,949,026	1,475,446	1,527,203	(51,757)	(4)%
Depreciation & Amortisation of Non-Current Assets	10	32,132,620	8,025,001	7,332,400	692,601	9%
Loss on Asset Disposals	11	94,759	17,740	14,377	3,363	19%
Interest Expenses	12	327,150	78,401	62,565	15,836	20%
Insurance Expenses		1,666,704	827,278	793,670	33,608	4%
Total Operating Expenses		165,028,276	41,108,992	36,988,021	4,120,971	10%
(SURPLUS)/DEFICIT FROM OPERATIONS		11,140,751	(92,968,302)	(98,448,567)	5,480,265	6%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(32,132,620)	(8,025,001)	(7,332,400)	(692,601)	(9)%
Loss on Asset Disposal		(94,759)	(17,740)	(14,377)	(3,363)	(19)%
Profit on Asset Disposals		1,436,831	-	50,299	(50,299)	(100)%
Movement in Non-current Items	13	(100,000)	(50,000)	(29,291)	(20,709)	(41)%
OPERATING CASH (SURPLUS)/DEFICIT		(19,749,797)	(101,061,042)	(105,774,336)	4,713,293	5%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	14	(9,450,320)	(1,134,862)	(6,661,981)	5,527,119	100%
Capital Contributions	15	(1,800,000)	-	(12,100)	12,100	100%
Equity Distribution - TPRC		(1,333,333)	-	-	-	0%
Other Non-Operating (GST Reimb TPRC Land Sales)	16	-	-	(170,977)	170,977	100%
Total Non-Operating Revenue		(12,583,653)	(1,134,862)	(6,845,058)	5,710,196	100%
CAPITAL EXPENDITURE						
Capital Projects	17	2,327,883	432,907	133,746	299,161	69%
Capital Works	18	48,677,162	4,666,644	6,402,774	(1,736,130)	(37)%
Vehicle and Plant Replacements	19	3,305,165	673,305	168,934	504,371	75%
Total Capital Expenditure		54,310,210	5,772,856	6,705,454	(932,598)	(16)%
CAPITAL (SURPLUS)/DEFICIT		41,726,557	4,637,994	(139,604)	4,777,598	100%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		21,976,760	(96,423,048)	(105,913,940)	9,490,891	10%
FUNDING						
Proceeds from Disposal	20	(1,916,500)	(3,000)	(121,273)	118,273	100%
Loans - Repayment of Principal		909,513	224,962	224,962	-	0%
Payments of Principal Portion of Lease Liability		388,066	-	-	-	0%
Transfer from Trust		(115,172)	-	-	-	0%
Transfer from Reserve		(37,780,158)	-	-	-	0%
Transfer to Reserve		16,587,120	-	-	-	0%
Opening Funds	21	(53,549)	(53,549)	-	(53,549)	(100)%
CLOSING FUNDS	22	(3,921)	(96,254,635)	(105,810,251)	9,555,615	10%

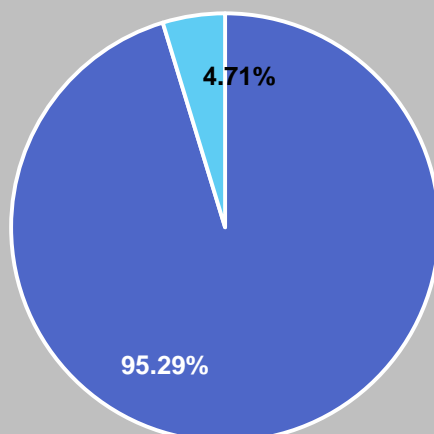


Municipal Funds	\$99,867,241	YTD Return	2.18%
Reserve Funds	\$106,238,342	Benchmark	2.85%
	<u>\$206,105,583</u>	RBA Rate	2.35%

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*



■ F.I. Investing in Fossil Fuel

■ F.I. 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 2022 (Subject to end of year finalisation)

1. Grants and Subsidies \$156,496

This favourable variance arose from the actual allocation of General Purpose Grant \$97,466 and Federal Road (FLRG) Grant \$31,304, compared to the budget estimates.

2. Contributions Reimbursements and Donations \$76,093

This favourable variance mainly occurred due to revenue from the Container Deposit Scheme \$34,190 compared to budget estimates.

3. Profit on Asset Disposals \$50,299

This favourable variance mainly arose due to profit on disposal of fleet and plant \$50,299.

4. Fees and Charges (\$220,012)

	YTD Budget	YTD Actual	Variance
a) Sports and Recreation Fees	\$2,036,639	\$2,228,289	\$191,650
b) Inspection and Control Fees	\$1,003,875	\$1,100,406	\$96,531
c) Refuse Charges	\$22,240,837	\$21,956,453	(\$284,384)
d) Parking Fees	\$973,925	\$823,456	(\$150,469)
e) Other Fees and Charges	\$866,588	\$808,191	(\$58,397)
f) Fines and Penalties	\$133,627	\$76,693	(\$56,934)
Other Fees & Charges	\$755,502	\$797,493	\$41,990
	<u>\$28,010,993</u>	<u>\$27,790,981</u>	<u>(\$220,012)</u>

a) Favourable variance arose from Membership Fees \$136,619.

b) A favourable variance arose on Inspection Fees, in relation to the phasing of Environmental Health Services \$98,997.

c) An unfavourable variance arose due to Waste Refuse Service Charges (\$278,534).

d) This unfavourable variance was due to Off Street Parking Fees (\$118,474).

e) This unfavourable variance mainly occurred due to Fines Enforcement Registry Charges (\$25,372).

f) This unfavourable variance arose mainly due to Parking Infringements (\$47,916).

5. Interest Earnings

\$669,961

This favourable variance arose due to higher than estimated Interest from Other Financial Institutions \$671,142 as a result of recent increases in interest rates.

6. Other Revenue/Income

\$625,772

This favourable variance mainly arose due to Net Revenue from TPRC Catalina Estate land sales \$622,678.

7. Employee Costs

\$1,032,227

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$16,786,830	\$15,776,873	\$1,009,957
Other Employment Costs	\$910,522	\$888,252	\$22,270
	<u>\$17,697,352</u>	<u>\$16,665,125</u>	<u>\$1,032,227</u>

a) Favourable timing variances for Salaries and Wages arose from vacancies in various areas.

8. Materials and Contracts

\$2,395,093

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$2,983,018	\$2,217,994	\$765,024
b) Waste Management Services	\$4,459,766	\$4,112,527	\$347,239
c) Computing	\$1,054,640	\$725,965	\$328,675
d) Professional Fees & Costs	\$800,077	\$577,812	\$222,265
e) Accommodation & Property	\$472,495	\$253,839	\$218,656
f) Public Relations, Advertising and Promotions	\$251,208	\$80,106	\$171,102
g) Administration	\$379,254	\$210,243	\$169,011
h) Contributions & Donations	\$367,014	\$266,931	\$100,083
i) Telephones and Communication	\$199,212	\$121,122	\$78,090
Other Materials & Contracts	\$2,021,090	\$2,026,142	(\$5,052)
	<u>\$12,987,774</u>	<u>\$10,592,681</u>	<u>\$2,395,093</u>

a) Favourable variances arose from External Contractors and Services \$784,257, including Parks \$238,964, Buildings \$179,124, City Projects \$61,733, Natural Areas \$60,556, Marketing \$56,477 and Infrastructure Services \$55,131 for Asset Assessments. In addition an unfavourable variance occurred on Programme Activities (\$59,137). The balance is spread across a number of areas.

b) A favourable variance arose from Recycling and Govt Levy Processing \$338,874, General Waste Tipping Fees \$169,652, partially offset by Collection of Bulk Hard Waste (\$108,376). The balances of variances are spread across a number of areas.

c) This favourable variance arose from Computer Software Subscriptions \$196,972 and Computer Software Maintenance \$117,954.

- d) A favourable variance arose mainly due to Consultancy \$131,862. The balances of variances are spread across a number of areas.
- e) This favourable timing variance arose from FESA ESL Payment \$143,053, Council Rates (CoJ Properties) \$92,047, partially offset by Water Rates (CoJ Properties) \$52,679. The balances of variances are spread across a number of areas.
- f) Favourable variance arose due to Advertising-General \$64,245. The balances of variances are spread across a number of areas.
- g) Favourable variance arose mainly on Photography and Video Production \$51,274. The balances of variances are spread across a number of areas.
- h) A favourable variance arose from Grants & Contributions \$144,623, partially offset by an unfavourable timing variance from Sponsorship (\$88,735). The balances of variances are spread across a number of areas.
- i) This favourable timing variance mainly occurred due to Mobile Phones, Pagers and Radios \$43,296. The balances of variances are spread across a number of areas.

9. Utilities

(\$51,757)

Unfavourable variance arose due to the electricity accrual estimates on Buildings (\$66,467) to be corrected in October.

10. Depreciation & Amortisation of Non-Current Assets

\$692,601

Favourable variance due to Depreciation for Drainage Infrastructure \$384,795, Impairment of Assets \$307,086 and Depreciation for Road Infrastructure \$57,753. This was partially offset by an unfavourable variance on Depreciation for Mobile and Other Plant (\$59,008). The balances of variances are spread across a number of areas.

11. Loss on Asset Disposals

\$3,363

Favourable variance mainly arose due to Loss on Asset Disposal for Fleet and Plant \$3,363.

12. Interest Expenses

\$15,836

Favourable variance arose due to Interest on Lease Liability \$15,836, which will be reviewed as part of the mid-year budget review.

13. Movement in Non-current items

(\$20,709)

This timing variance arose in respect to Non-current Long Service Leave Liability.

14. Capital Grants and Subsidies
\$5,527,119

	YTD Budget	YTD Actual	Variance
a) State Government Grants-Capital - MRRG Grant Roads	\$322,362	\$2,006,946	\$1,684,584
b) State Government Grants - Capital - Other	-	\$1,675,151	\$1,675,151
c) Commonwealth Grants - Capital - Other	-	\$1,453,579	\$1,453,579
d) State Government Grants – Capital - Other	-	\$300,000	\$300,000
e) Other Grants and Subsidies-Capital - Other	-	\$171,886	\$171,886
f) Commonwealth Grants & Subsidies-Capital - Black Spot	\$26,000	\$171,835	\$145,835
g) Commonwealth Grants - Capital - Roads to Recovery	\$197,500	\$252,109	\$54,609
Other Grants and Subsidies	\$589,000	\$630,475	\$41,475
	<u>\$1,134,862</u>	<u>\$6,661,981</u>	<u>\$5,527,119</u>

- a) This favourable variance arose in the recognition of unspent grant income from the previous financial year in relation to road improvements projects RDC2027 Joondalup Dr/Hodges Dr Int. Upgrade \$1,130,170, RDC2024 Shenton Avenue Upgrade Design \$233,850, RDC2025 \$218,802 Whitfords Ave/Gibsons Ave Int Upgrade, RDC2026 \$101,762 Whitfords Ave/Kingsley Dr Int Upgrade.
- b) This favourable variance arose in relation to the timing of progress payment for BCW2650 Sorrento Football Upgrade \$800,000 and FPN2299 Hillarys Cycle Network Expansion \$200,000 (expected in 2021-22). Favourable variance also relates to prior year adjustments for unspent grant income on various projects \$675,151.
- c) This favourable variance arose in the recognition of unspent grant income from the previous financial year in relation to 17 LRCI projects \$1,309,594. In addition the final instalment of LRCI Phase 1 income was received \$143,985.
- d) Favourable variance relates to the unbudgeted State Urban Bike Trail Grant \$300,000. A council decision will be required to include expenditure within the budget.
- e) This favourable variance arose in the recognition of unspent grant income from the previous financial year in relation to PDP2272 Heritage Precinct Development \$159,120 and STL2092 MacDonald Park Floodlighting \$12,766.
- f) This favourable variance arose in the recognition of unspent grant income from the previous financial year in relation to SBS2091 Marmion and Coral \$167,951.
- g) This favourable variance arose from higher than estimated quarterly payment in relation to the previous financial year \$54,609.

15. Capital Contributions**\$12,100**

This favourable variance arose mainly due to contribution to Arterial & Urban Road Street Lighting \$9,600.

16. Other Non-Operating Revenue**\$170,977**

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

17. Capital Projects**\$299,161**

This favourable variance arose due to Network Infrastructure Upgrade Program \$66,000, IT Disaster Recovery Facilities \$66,000 and WOC CCTV Upgrade \$50,000. The balances of variances are spread across a number of projects.

18. Capital Works

(\$1,736,130)

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Streetscape Enhancement Program (SSE)	5	\$12,500	\$951,710	(\$939,210)	SSE2056 – (\$485,417) SSE2059 – (\$296,276)
b) Street lighting Program (STL)	9	\$49,998	\$490,953	(\$440,955)	STL2092 – (\$376,608)
c) Parks Development Program (PDP)	15	\$154,500	\$405,784	(\$251,284)	PDP2354 – (\$83,745)
d) Parks Equipment Program (PEP)	38	\$28,500	\$224,576	(\$196,076)	PEP2635 – (\$77,784)
e) Major Road Construction Program (RDC)	9	\$125,000	\$312,755	(\$187,755)	RDC2024 – (\$125,297)
f) Major Building Capital Works (BCW)	18	\$441,608	\$610,746	(\$169,138)	BCW2651 – (\$108,257)
g) Blackspot Program (SBS)	6	\$35,000	\$174,965	(\$139,965)	SBS2037 – (\$171,142)
h) Local Traffic Management Program (LTM)	12	\$141,000	\$196,887	(\$55,887)	LTM2126-(\$28,297)
i) Stormwater Drainage Program (SWD)	7	\$6,000	\$59,397	(\$53,397)	SWD2001 – (\$54,444)
j) Major Projects Program (MPP)	8	\$1,865,938	\$1,530,497	\$335,441	MPP2006 - \$213,000
k) Road Preservation/Resurfacing Program (RPR)	75	\$1,659,600	\$1,330,044	\$329,556	RPR3247 - \$218,543
l) New Paths (FPN)	12	\$90,000	\$34,367	\$55,633	FPN2299 - \$52,283
Other Programs	21	\$57,000	\$80,091	(\$23,091)	
	235	\$4,666,644	\$6,402,772	(\$1,736,130)	

- a) Unfavourable variance occurred due to SSE2056 City Centre Streetscape Renewal (\$485,417), SSE2059 Joondalup Drive Streetscape Upgrades (\$296,276) and SSE2055 Streetscape Renewal Program (\$103,113) all carried forward from the previous financial year. In addition, SSE2057 Leafy City Program (\$54,403) with the project ahead of schedule.
- b) Unfavourable variance occurred on STL2092 MacDonald Park Floodlighting Upgrade (\$376,608) and STL2112 W4300 Blue Mountain Drive Lighting Improvement (\$72,627) both carried forward projects from the previous financial year with works scheduled to be completed by October 2022.
- c) Variance relates to PDP2252 Tree Planting Program (\$60,317) and PDP2350 Sorrento Bowling Synthetic Turf (\$41,376) from the previous financial year. In addition PDP2354 Killen / Sycamore Amenity Upgrades (\$83,745) and PDP2322 McCubbin Park Irrigation Upgrades (\$70,991) with works now in progress.
- d) Variance mainly relates to recently completed project PEP2635 Wentworth Park Playspace Renewal (\$77,784). In addition PEP2860 Barridale Park Cricket Nets (\$43,343) and PEP2853 BMX Track Upgrades (\$33,780) both carried forward projects from the previous financial year with works scheduled to be completed by October 2022.
- e) Unfavourable variance mainly relates to RDC2024 Shenton Ave Upgrade Design (\$125,297), RDC2025 Whitfords Ave/Gibson Ave Int Upgrade (\$50,232) and RDC2026 Whitfords Ave/Kingsley Dr Int Upgrade (\$55,006) ahead of schedule.
- f) An Unfavourable variance relates to BCW2651 Kingsley Football Club Awning (\$108,257) carried forward from the previous financial year. This was offset by LRCI Phase 3 projects ahead of schedule, including BCW2641 Changeroom Shower Modifications – Fleur Freame (\$54,281) and BCW2666 Craigie LC Geothermal Bore Replacement (\$54,004).
- g) Unfavourable variance relates to SBS2037 Marmion/McWhae Int Upgrade (\$171,142) with works estimated to be completed in the previous financial year.
- h) Variance relates to carried forward project LTM2126 Electra Street Intersection Treatment (\$28,297) with construction due by October 2022.
- i) Unfavourable variance relates mainly to recently completed works for SWD2001 Stormwater Drainage Upgrading (\$54,440) which were planned to be completed in 2021/22.
- j) Favourable variance relates to MPP2050 Craigie Leisure Centre Upgrades \$213,000 and MPP2077 Burns Beach Cafes/Kiosks/Restaurants \$100,000.
- k) Favourable variance is due to minor delays in completion for RPR3247 Country Club Boulevard \$218,543, RPR3373 Readshaw Rd – Marmion Ave to Barker Drv \$144,107 and RPR3248 Fairway Circle – Country Club to Royal Melb \$52,254 which have all been completed and are awaiting invoices. These were partially offset by RPR3256 Bernedale Way – Poynter Dr to Langholm PI (\$126,650) and RPR3255 Mandara Court (\$56,996) with works completed earlier than planned.
- l) Favourable variance relates mainly due to FPN2299 Coastal Share Path Design \$52,283 currently in the investigation phase.

19. Vehicle and Plant Replacements
\$504,371

A favourable timing variance arose in relation to capital acquisition of three Isuzu Trucks \$310,667 and two Dual Cab Utility Utes \$100,000.

20. Proceeds from Disposal
\$118,273

A favourable variance arose due to timing of proceeds received from the disposal of fleet \$118,273.

21. Opening Funds
(\$53,549)

The variation in the closing funds for the period ended 30 June 2022 is prior to end of year adjustments being processed. The final balance will be available after the Financial Statements for 2021-22 have been audited.

22. Closing Funds
\$9,555,615

	June 2022*	September 2022
Current Assets		
Cash and Investments		\$206,973,404
Rates Outstanding, Sundry Debtors and Other Receivables		\$48,095,314
Accrued Income		\$865,544
Prepayments		\$215,580
Inventories		\$149,075
Total Current Assets		\$256,298,917
Current Liabilities		
Trade Creditors		\$3,163,787
Sundry Payables		\$21,534,736
Accrued Expenses		\$4,580,957
Other Payables		-
Borrowings		\$684,550
Lease Liability		\$378,899
Provision for Annual Leave		\$4,682,781
Provision for Long Service Leave		\$6,669,146
Provision for Purchased Leave		\$209,419
Provision for Workers Compensation Insurance		\$3,641,813
Provision for Sick Leave		\$980,137
Other Provisions		\$9,415
Total Current Liabilities		\$46,535,640
Net Current Assets		\$209,763,277
Add back: Borrowings		\$684,550
Add back: Lease Liabilities		\$378,899

Add back: Contract Liabilities for developer contributions		\$1,221,867
Less: Cash Backed Reserves		\$106,238,342
Closing Funds – Surplus/(Deficit)		\$105,810,251

* Subject to finalisation of 2021-22 end of year