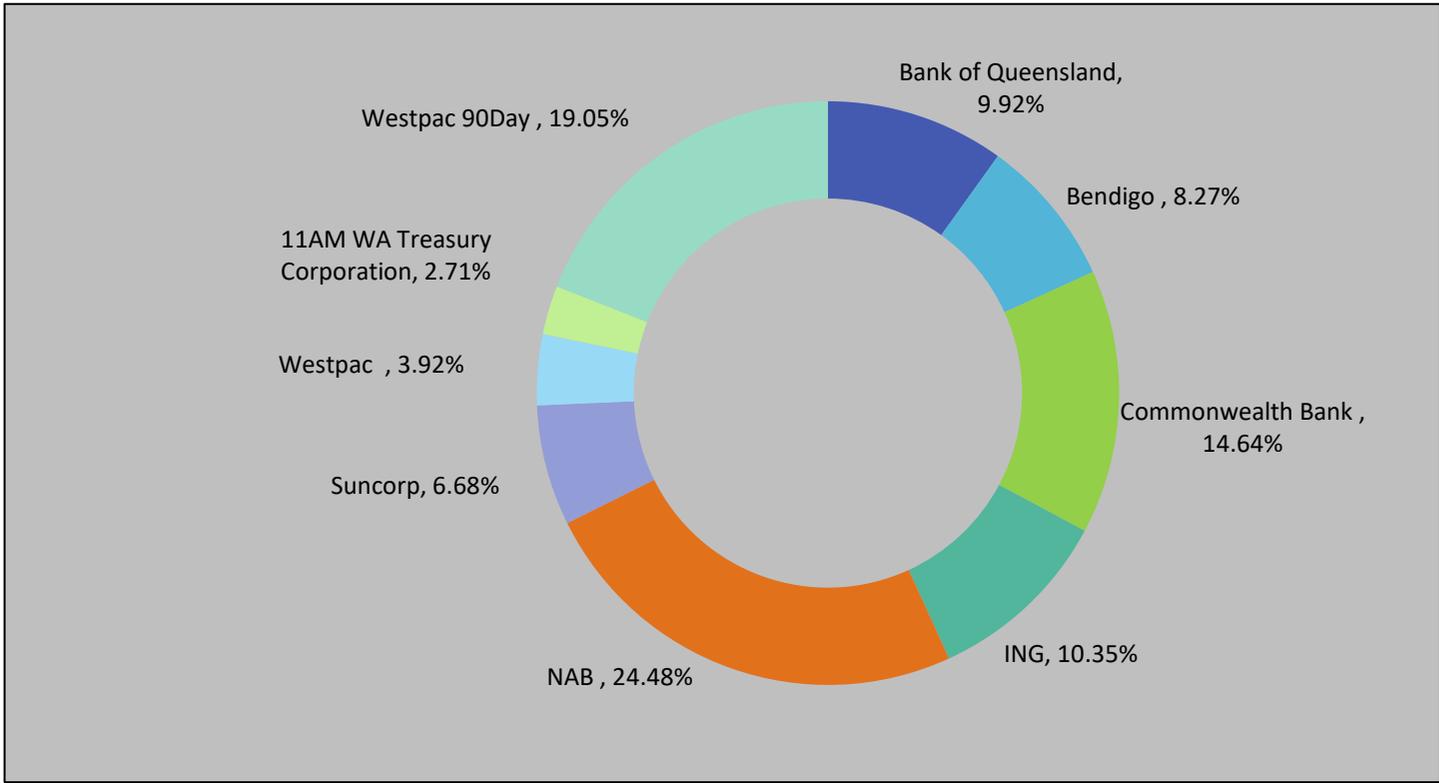


	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>						
Rates	1	(99,943,014)	(99,943,014)	(100,042,212)	99,198	0%
Specified Area Rates		(708,248)	(708,125)	(709,071)	946	0%
Grants and Subsidies	2	(3,683,872)	(2,706,066)	(2,650,010)	(56,056)	(2)%
Contributions Reimbursements and Donations	3	(1,215,173)	(763,172)	(832,100)	68,928	9%
Profit on Asset Disposals	4	(932,770)	(932,770)	(1,177,193)	244,423	26%
Fees and Charges	5	(41,513,332)	(36,941,676)	(36,855,123)	(86,553)	(0)%
Interest Earnings	6	(741,099)	(611,628)	(654,379)	42,751	7%
Other Revenue/Income	7	(449,902)	(359,012)	(388,645)	29,633	8%
<b>Total Operating Revenue</b>		<b>(149,187,410)</b>	<b>(142,965,463)</b>	<b>(143,308,733)</b>	<b>343,270</b>	<b>0%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	8	64,833,289	48,820,671	46,860,416	1,960,255	4%
Materials and Contracts	9	69,145,463	37,600,044	35,119,508	2,480,536	7%
Utilities (gas, electricity, water etc.)		5,956,419	4,366,836	4,324,892	41,944	1%
Depreciation & Amortisation of Non-Current Assets	10	31,447,158	23,206,371	23,295,316	(88,945)	(0)%
Loss on Asset Disposals	11	202,650	105,360	48,046	57,314	54%
Interest Expenses		326,832	234,812	231,090	3,722	2%
Insurance Expenses		1,523,561	1,514,976	1,521,288	(6,312)	(0)%
<b>Total Operating Expenses</b>		<b>173,435,372</b>	<b>115,849,072</b>	<b>111,400,556</b>	<b>4,448,516</b>	<b>4%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>24,247,962</b>	<b>(27,116,391)</b>	<b>(31,908,177)</b>	<b>4,791,786</b>	<b>18%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation & Amortisation of Non Current Assets		(31,447,158)	(23,206,371)	(23,295,316)	88,945	0%
Loss on Asset Disposal		(202,650)	(105,360)	(48,046)	(57,314)	(54)%
Profit on Asset Disposals		932,770	932,770	1,177,193	(244,423)	26%
Movement in Non-current Items	12	(100,000)	(100,000)	(115,726)	15,726	16%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(6,569,076)</b>	<b>(49,595,352)</b>	<b>(54,190,072)</b>	<b>4,594,720</b>	<b>9%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies	13	(13,940,393)	(7,632,246)	(9,803,372)	2,171,126	28%
Capital Contributions	14	(691,041)	(284,154)	(326,035)	41,881	15%
Equity Distribution - TPRC		(1,666,667)	(833,333)	(833,333)	-	0%
Other Non-Operating (GST Reimb TPRC Land Sales)	15	(111,691)	(111,691)	(154,753)	43,062	39%
<b>Total Non-Operating Revenue</b>		<b>(16,409,792)</b>	<b>(8,861,424)</b>	<b>(11,117,493)</b>	<b>2,256,069</b>	<b>25%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	16	2,759,553	1,224,362	1,089,956	134,406	11%
Capital Works	17	44,020,270	24,571,969	22,043,777	2,528,192	10%
Vehicle and Plant Replacements	18	3,096,536	1,130,097	518,681	611,416	54%
<b>Total Capital Expenditure</b>		<b>49,876,359</b>	<b>26,926,428</b>	<b>23,652,414</b>	<b>3,274,014</b>	<b>12%</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>33,466,567</b>	<b>18,065,004</b>	<b>12,534,921</b>	<b>5,530,083</b>	<b>31%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>26,897,491</b>	<b>(31,530,348)</b>	<b>(41,655,151)</b>	<b>10,124,803</b>	<b>32%</b>
<b>FUNDING</b>						
Proceeds from Disposal	19	(322,559)	(223,559)	(421,727)	198,168	89%
Loans - New Borrowings		-	-	-	-	0%
Loans - Repayment of Principal		1,836,594	1,372,972	1,372,972	-	0%
Transfer from Trust		(120,529)	-	-	-	0%
Transfer from Reserve		(44,121,706)	-	-	-	0%
Transfer to Reserve		19,646,204	-	-	-	0%
Transfer to Accumulated Surplus		-	-	-	-	0%
Transfer from Accumulated Surplus		-	-	-	-	0%
Opening Funds		(3,860,336)	(3,860,336)	(3,860,336)	-	0%
<b>CLOSING FUNDS</b>	20	<b>(44,840)</b>	<b>(34,241,271)</b>	<b>(44,564,242)</b>	<b>10,322,971</b>	<b>30%</b>

# INVESTMENT SUMMARY

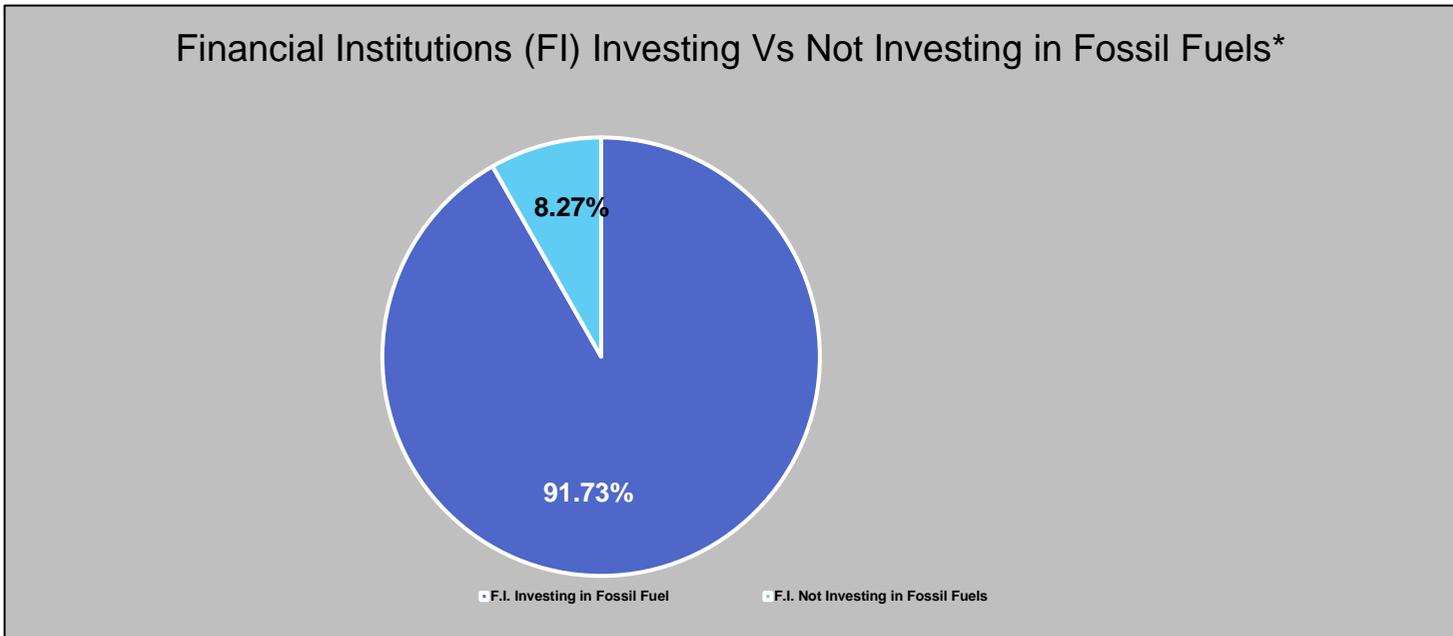
March-22



Municipal Funds	\$62,743,780	YTD Return	0.39%
Reserve Funds	\$100,551,220	Benchmark	0.60%
	<u>\$163,295,000</u>	RBA Rate	0.10%

<u>Investment Policy Limits</u>					
	<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



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

**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 MARCH 2022**

**1. Rates \$99,198**

This favourable variance mainly arose due to Interim Rates \$98,748.

**2. Grants and Subsidies (\$56,056)**

This unfavourable variance mainly arose due to the timing of Other State Operating Grants and Subsidies (\$82,056), including \$75,000 in respect of the sand bypassing program at Sorrento Foreshore.

**3. Contributions Reimbursements and Donations \$68,928**

This favourable variance mainly arose due to Department of Transport Sponsorship for Joondalup Festival \$22,727 and Reimbursement for Roads Profiling Error \$23,662.

**4. Profit on Asset Disposals \$244,423**

This favourable variance mainly arose due to the profit on sale of land at Tamala Park \$153,972 and profit on disposal of fleet and plant \$90,451.

**5. Fees and Charges (\$86,553)**

	YTD Budget	YTD Actual	Variance
a) Refuse Charges	\$22,055,043	\$21,904,270	(\$150,773)
b) Parking Fees	\$2,666,884	\$2,560,682	(\$106,202)
c) Building and Development Fees	\$1,437,182	\$1,600,610	\$163,428
Other Fees & Charges	\$10,782,568	\$10,789,562	\$6,994
	<u>\$36,941,677</u>	<u>\$36,855,124</u>	<u>(\$86,553)</u>

a) Unfavourable variance mainly arose from Waste Refuse Service Charges (\$145,363) mainly due to additional waste service charges in budget estimates year to date.

b) An unfavourable variance mainly arose due to On Street Parking Fees (\$57,785) due to reduced attendance in the CBD area from COVID restrictions to date.

c) Favourable variance mainly arose due to additional revenue from Building Permits \$100,726.

**6. Interest Earnings \$42,751**

This favourable variance arose mainly due to higher than estimated Interest from Other Financial Institutions \$32,146 owing to a marginal rise in deposit interest rates.

**7. Other Revenue/Income**
**\$29,633**

This favourable variance arose due to a prior year accrual correction that will be adjusted to operating expenditure as part of end of year reporting.

**8. Employee Costs**
**\$1,960,255**

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$46,793,301	\$45,066,523	\$1,726,778
b) Other Employment Costs	\$2,027,370	\$1,793,893	\$233,477
	<u>\$48,820,671</u>	<u>\$46,860,416</u>	<u>\$1,960,255</u>

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

b) Favourable variance arose mainly due to Other Employee Costs \$168,385, Conferences and Seminars \$57,910 and Staff Training \$54,848.

**9. Materials and Contracts**
**\$2,480,536**

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$10,821,708	\$9,808,076	\$1,013,632
b) Waste Management Services	\$13,042,672	\$12,590,929	\$451,743
c) Contributions & Donations	\$1,180,195	\$811,852	\$368,343
d) Public Relations, Advertising & Promotions	\$776,513	\$471,155	\$305,358
e) Other Materials	\$1,875,090	\$1,589,712	\$285,378
f) Furniture, Equipment and Artworks	\$2,068,668	\$1,832,458	\$236,210
g) Administration	\$851,810	\$682,954	\$168,856
h) Members Costs	\$559,793	\$493,021	\$66,772
i) Computing	\$2,103,416	\$2,507,595	(\$404,179)
j) Travel, Vehicles & Plant	\$1,141,191	\$1,209,047	(\$67,856)
k) Professional Fees & Costs	\$1,253,873	\$1,313,142	(\$59,269)
Other Materials & Contracts	\$1,925,114	\$1,809,566	\$115,548
	<u>\$37,590,865</u>	<u>\$35,119,508</u>	<u>\$2,480,536</u>

a) Favourable timing variances arose mainly from External Contractors and Services \$822,629, including Parks \$287,020, Roads \$231,010, City Projects \$195,041, Cultural Services \$91,163, Application Services \$74,715, Director Infrastructure Services \$67,200, CEO Administration \$63,788, partially offset by Buildings (\$352,934) due to building reactive maintenance. A favourable variance also arose on Programme Activities \$164,264. The balances of variances are spread across a number of areas.

b) A favourable variance arose mainly from Recycling and Govt Levy Processing \$406,835. The balances of variances are spread across a number of areas.

c) This favourable variance mainly arose from Sponsorship \$290,600 and Grants & Contributions Made \$71,076.

- d) This favourable variance mainly arose from General Advertising \$122,984, Promotions \$71,235 and Catering \$51,593. The balances of variances are spread across a number of areas.
- e) Favourable variance arose mainly due to Materials Building Minor Works \$179,371 and External Material Purchases Contract \$87,232.
- f) Favourable variance mainly arose due to Computer and Communications Equipment Purchase – Minor \$66,909. The balances of variances are spread across a number of areas.
- g) This favourable variance mainly arose due to Other Sundry Admin Expenses \$55,878 and Printing \$41,053. The balances of variances are spread across a number of areas.
- h) Favourable variance arose mainly due to Elected Members Conference and Training expenses \$53,363. The balances of variances are spread across a number of areas.
- i) Unfavourable variance mainly arose due to timing of Computer Software Subscriptions (\$379,373), Computer Software Licences (\$136,249) relative to budget estimates, partially offset by a favourable variance on Computer Software Maintenance \$97,143. The balances of variances are spread across a number of areas.
- j) An unfavourable variance arose mainly due to the rise in fuel prices (\$70,990). The balances of variances are spread across a number of areas.
- k) Unfavourable variance arose mainly from Legal Expenses (\$77,320) and timing of Consultancy (\$70,017). The balances of variances are spread across a number of areas.

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

**(\$88,945)**

Unfavourable variance mainly due to timing of Impairment/Write off of assets (\$287,667) relative to budget estimates, which was partially offset by Depreciation – Roads Infrastructure \$81,852. The balances of variances are spread across a number of areas.

**11. Loss on Asset Disposals**

**\$57,314**

Favourable variance mainly arose from Loss on Asset Disposal for Fleet and Plant \$57,314.

**12. Movement in Non-Current Items**

**\$15,726**

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

**13. Capital Grants and Subsidies \$2,171,126**

	YTD Budget	YTD Actual	Variance
a) State Government Grants – Capital -MRRG Grant Roads	\$1,635,345	\$2,749,450	\$1,114,105
b) State Government Grants – Capital - Other	\$1,021,000	\$2,021,000	\$1,000,000
c) Commonwealth Grants – Capital – Roads to Recovery	\$868,913	\$1,030,593	\$161,680
d) Commonwealth Grants – Capital - Other	\$2,398,554	\$2,275,554	(\$123,000)
Other Grants and Subsidies	\$1,708,434	\$1,726,775	\$18,341
	<u>\$7,632,246</u>	<u>\$9,803,372</u>	<u>\$2,171,126</u>

- a) Variance relates to RDC2027 Joondalup Dr / Hodges Dr Intersection Upgrade with funding received for multi-year project of which \$1,222,400 is likely to remain unspent by 30 June and will be derecognised from grant income in end of year reporting. This was partially offset by claims currently in progress for multiple MRRG projects (\$124,490).
- b) Favourable variance relates to additional funding received from Department of Local Government Sport for MPP2050 Craigie Leisure Centre Upgrades \$1,000,000.
- c) A favourable variance occurred mainly due to RPR3190 Gibson Ave – Warburton Ave to Rudall Wy \$110,000, RPR3153 Ballantine Rd – Ellersdale Ave to Warwick Rd \$94,000, RPR3189 Gibson / Giles Roundabout \$61,728, RPR3188 Gibson / Pinnaroo Roundabout \$58,755 and RPR3220 Burns Beach / Delgado Roundabout \$50,000. This was partially offset by unfavourable variances on RPR3167 Calectasia St – Coolibah Drv to Leschenaultia St (\$100,000) and RPR3181 Seacrest Drive – Reef Ct to Parnell Ave (\$65,000).
- d) Unfavourable variance mainly relates to LRCI Phase 2 project RDC2003 Bridge and Underpass Program (\$177,000).

**14. Capital Contributions \$41,881**

This favourable variance mainly arose due to contributions received for Lexcen Park \$40,049.

**15. Other Non-Operating Revenue \$43,062**

This favourable variance predominately arose from GST reimbursements in respect of TPRC land sales undertaken \$43,062.

**16. Capital Projects \$134,406**

This favourable timing variance arose mainly due to Cafes/Restaurants/Kiosks \$83,725 and IT Disaster Recovery Facilities \$40,000. The balances of variances are spread across a number of areas.

**17. Capital Works**

**\$2,528,192**

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Road Preservation/Resurfacing Program (RPR)	91	\$5,022,352	\$4,490,078	\$532,274	RPR3226 – \$125,146 RPR3225 – \$94,488 RPR3227 - \$81,470
b) Major Road Construction Program (RDC)	9	\$2,478,551	\$2,003,290	\$475,261	RDC2025 - \$396,854 RDC2026 - \$116,933
c) Major Projects Program (MPP)	9	\$5,107,450	\$4,648,130	\$459,320	MPP2050 - \$238,611 MPP2034 – \$117,932
d) Parks Equipment Program (PEP)	33	\$1,817,773	\$1,359,598	\$458,175	PEP2707 - \$275,617 PEP2846 - \$73,734
e) Parks Development Program (PDP)	32	\$1,101,700	\$755,967	\$345,733	PDP2342 - \$176,783 PDP2338 - \$115,000
f) Parking Facilities Program (PFP)	13	\$622,392	\$453,775	\$168,617	PFP2066 - \$98,715
g) Street Lighting Program (STL)	16	\$2,695,984	\$2,530,467	\$165,517	STL2005 - \$67,299
h) Slab Path Replacement (FPR)	8	\$1,608,793	\$1,466,576	\$142,217	FPR2297 - \$113,972
i) Stormwater Drainage Program (SWD)	9	\$463,481	\$370,929	\$92,552	SWD2211 - \$29,987
j) Major Building Capital Works Program (BCW)	22	\$1,548,062	\$1,776,870	(\$228,808)	BCW2629 – (\$305,011)
k) Streetscape Enhancement Program (SSE)	5	\$113,728	\$171,374	(\$57,646)	SSE2057 – (\$51,778)
Other Programs	32	\$1,991,703	\$2,016,723	(\$25,020)	
	<b>279</b>	<b>\$24,571,969</b>	<b>\$22,043,777</b>	<b>\$2,528,192</b>	

- a) A favourable variance occurred mainly due to multiple projects completed and awaiting actuals including RPR3226 Joondalup Dr (SB) – Petrol St Wedgewood Dr \$125,146, RPR3225 Joondalup Dr (SB) – Dan Murphys Entrance to Petrol Station \$94,488, RPR3227 Whitfords Ave (WB) Wanneroo Rd to Mooro Rd \$81,470 and RPR3222 Joondalup Dr (SB) – Petrol Entry Cord St to Collier \$50,679. Additional favourable variance occurred on projects currently in progress including RPR3224 Joondalup Dr (NB) Injune Wy to Hodges Dr \$69,958, RPR3181 Seacrest Dr \$62,157 and RPR3212 Winton / Cord Roundabout \$59,289. These were partially offset by RPR3134 – Albacore Dr (\$194,718), RPR3152 Haynes Rd (\$77,017) and RPR3150 Kempfenfeldt Ave – Hawkins Ave to Martin Rd (\$69,906). The balances of variances are spread across a number of areas.
- b) Favourable variance mainly due to RDC2025 Whitfords Ave / Gibson Ave Intersection Upgrade \$396,854 and RDC2026 Whitfords Ave / Kingsley Dr Intersection Upgrade \$116,933.
- c) Favourable variance mainly due to MPP2050 Craigie Leisure Centre Upgrades \$238,611, MPP2034 Joondalup Admin Building Refurbishment \$117,932 and MPP2058 Chichester Park Clubroom Redevelopment \$91,393.
- d) A favourable variance occurred mainly due to delays in progress of PEP2707 Whitfords Nodes Health & Wellbeing Hub \$275,617 and savings on PEP2846 Whitfords Health & Wellbeing Hub Parkour Field \$73,734.
- e) Favourable variance relates to lower actuals than anticipated for recently completed projects PDP2342 Charonia Park Irrigation Network \$176,783, PDP2338 Poseidon Park Revitalisation \$115,000 and PDP2343 Ocean Gate Bore Renewal \$59,430 currently in progress.
- f) A favourable variance occurred mainly on PFP2066 Pinnaroo Point Parking Improvements \$98,715.
- g) Favourable variance mainly due to a delay on STL2005 Arterial & Urban Road Street Lighting \$67,299.
- h) A favourable variance occurred due to FPR2297 Coastal Path – West View Bvd to Marina \$113,972.
- i) Favourable variance mainly due to savings on SWD2211 Pipeline Rehabilitation \$29,987.
- j) An unfavourable variance mainly relates to actuals earlier than planned for BCW2629 Emerald Park Community Facility (\$305,011).
- k) Unfavourable variance mainly occurred on SSE2057 Leafy City Program with progress earlier than expected (\$51,778).

## 18. Vehicle and Plant Replacements

**\$611,416**

A favourable variance mainly arose in relation to capital acquisition of a Sweeper \$357,251, an Isuzu Truck \$98,551 and three Toro Mowers \$134,190.

**19. Proceeds from Disposal**
**\$198,168**

A favourable variance arose mainly due to higher than expected proceeds received from the disposal of fleet \$198,168.

**20. Closing Funds**
**\$10,322,971**

	<b>June 2021</b>	<b>March 2022</b>
<b>Current Assets</b>		
Cash and Investments	\$140,026,825	\$163,532,990
Rates Outstanding, Sundry Debtors and Other Receivables	\$3,650,817	\$7,531,865
Accrued Income	\$597,565	\$266,158
Prepayments	\$757,967	\$626,106
Inventories	\$226,281	\$135,090
<b>Total Current Assets</b>	<b>\$145,259,456</b>	<b>\$172,092,209</b>
<b>Current Liabilities</b>		
Trade Creditors	\$5,472,655	\$1,903,018
Sundry Payables	\$695,348	\$4,361,895
Accrued Expenses	\$3,105,207	\$5,295,735
Other Payables	\$7,765,472	\$1,221,867
Borrowings	\$1,836,594	\$463,622
Lease Liability	\$455,497	\$113,926
Provision for Annual Leave	\$4,774,903	\$4,570,624
Provision for Long Service Leave	\$6,550,516	\$6,481,568
Provision for Purchased Leave	\$147,488	\$194,467
Provision for Workers Compensation Insurance	\$2,266,015	\$3,137,004
Provision for Sick Leave	\$1,061,768	\$1,023,021
Other Provisions	\$9,415	\$9,415
<b>Total Current Liabilities</b>	<b>\$34,140,880</b>	<b>\$28,776,162</b>
<b>Net Current Assets</b>	<b>\$111,118,578</b>	<b>\$143,316,047</b>
<b>Add back: Borrowings</b>	\$1,836,594	\$463,622
<b>Add back: Lease Liabilities</b>	\$455,497	\$113,926
<b>Add back: Contract Liabilities for developer contributions</b>	\$1,221,867	\$1,221,867
<b>Less: Cash Backed Reserves</b>	\$110,772,200	\$100,551,220
<b>Closing Funds – Surplus/(Deficit)</b>	<b>\$3,860,336</b>	<b>\$44,564,242</b>