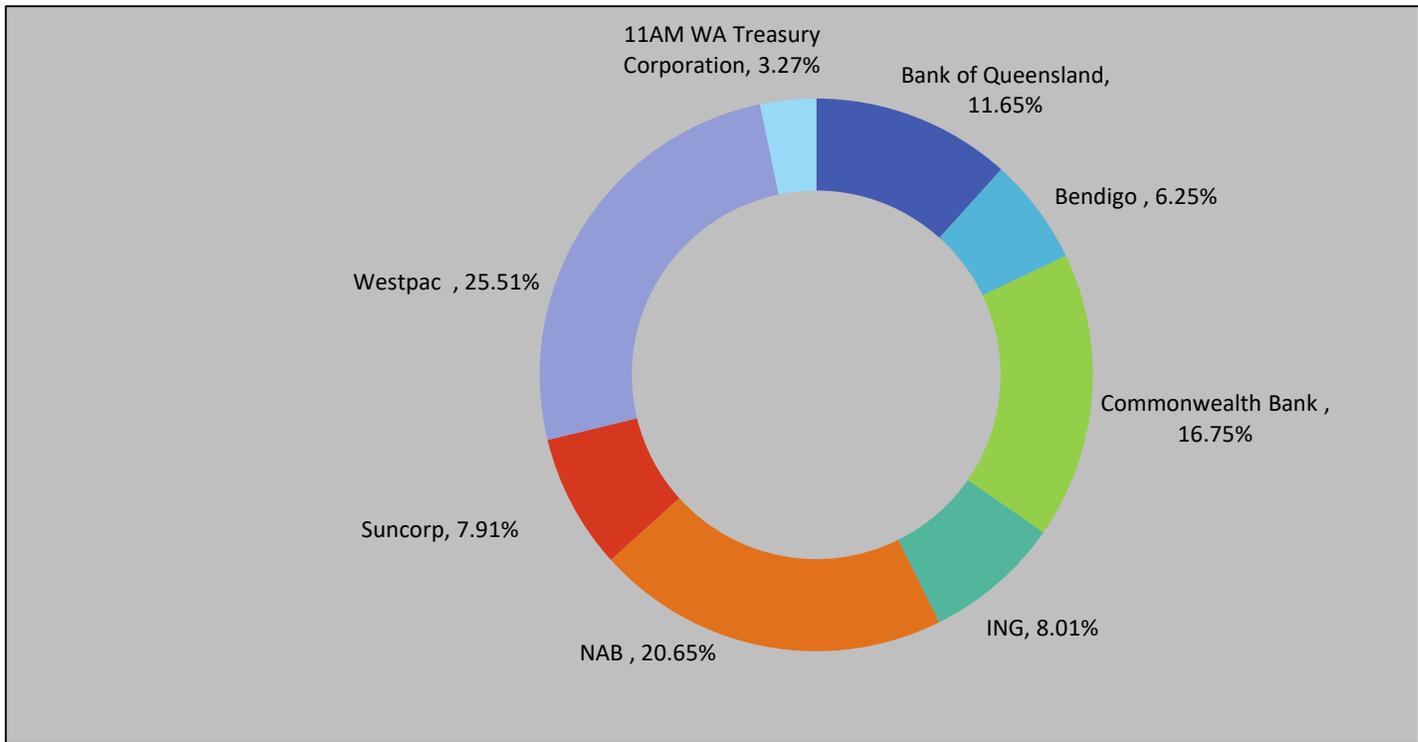


	Notes	Amended Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(104,599,384)	(104,599,384)	(104,755,668)	156,284	0%
Specified Area Rates		(727,440)	(727,440)	(730,291)	2,851	0%
Grants and Subsidies	2	(1,606,171)	(315,255)	(479,427)	164,172	52%
Contributions Reimbursements and Donations	3	(1,563,862)	(485,980)	(563,759)	77,779	16%
Profit on Asset Disposals	4	(1,436,831)	(4,429)	(50,299)	45,870	100%
Fees and Charges	5	(42,474,492)	(29,973,673)	(29,718,647)	(255,026)	(1)%
Interest Earnings	6	(1,252,345)	(443,112)	(1,562,323)	1,119,211	100%
Other Revenue/Income	7	(362,000)	(90,500)	(774,465)	683,965	100%
Total Operating Revenue		(154,022,525)	(136,639,773)	(138,634,879)	1,995,106	1%
OPERATING EXPENSES						
Employee Costs	8	68,399,625	23,909,514	22,662,065	1,247,449	5%
Materials and Contracts	9	56,458,392	17,315,469	14,869,557	2,445,912	14%
Utilities (gas, electricity, water etc.)	10	5,949,026	1,952,735	1,720,177	232,558	12%
Depreciation & Amortisation of Non-Current Assets	11	32,132,620	10,725,510	9,801,698	923,812	9%
Loss on Asset Disposals	12	94,759	25,680	29,081	(3,401)	(13)%
Interest Expenses	13	327,150	106,938	85,444	21,494	20%
Insurance Expenses	14	1,666,704	1,652,042	795,809	856,233	52%
Total Operating Expenses		165,028,276	55,687,888	49,963,831	5,724,057	10%
(SURPLUS)/DEFICIT FROM OPERATIONS		11,005,751	(80,951,885)	(88,671,048)	7,719,163	10%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(32,132,620)	(10,725,510)	(9,801,698)	(923,812)	(9)%
Loss on Asset Disposal		(94,759)	(25,680)	(29,081)	3,401	13%
Profit on Asset Disposals		1,436,831	4,429	50,299	(45,870)	(100)%
Movement in Non-current Items	15	(100,000)	(50,000)	(1,335)	(48,665)	(97)%
OPERATING CASH (SURPLUS)/DEFICIT		(19,884,797)	(91,748,645)	(98,452,863)	6,704,217	7%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	16	(12,046,776)	(3,613,292)	(7,397,501)	3,784,209	100%
Capital Contributions	17	(1,985,066)	-	(12,100)	12,100	100%
Equity Distribution - TPRC		(1,333,333)	-	-	-	0%
Other Non-Operating (GST Reimb TPRC Land Sales)	18	-	-	(178,152)	178,152	100%
Total Non-Operating Revenue		(15,365,175)	(3,613,292)	(7,587,753)	3,974,461	100%
CAPITAL EXPENDITURE						
Capital Projects	19	2,327,883	580,876	308,731	272,145	47%
Capital Works	20	57,851,227	9,743,412	11,117,020	(1,373,608)	(14)%
Vehicle and Plant Replacements	21	3,305,165	783,165	428,191	354,974	45%
Total Capital Expenditure		63,484,275	11,107,453	11,853,942	(746,489)	(7)%
CAPITAL (SURPLUS)/DEFICIT		48,119,100	7,494,161	4,266,189	3,227,972	100%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		28,234,303	(84,254,484)	(94,186,674)	9,932,189	12%
FUNDING						
Proceeds from Disposal	22	(1,916,500)	(43,000)	(216,955)	173,955	100%
Loans - Repayment of Principal		909,513	451,528	451,528	-	0%
Payments of Principal Portion of Lease Liability		388,066	-	-	-	0%
Transfer from Trust		(115,172)	-	-	-	0%
Transfer from Reserve		(43,972,701)	-	-	-	0%
Transfer to Reserve		16,587,120	-	-	-	0%
Opening Funds	23	(53,549)	(53,549)	-	(53,549)	(100)%
CLOSING FUNDS	24	61,079	(83,899,505)	(93,952,101)	10,052,595	12%

INVESTMENT SUMMARY

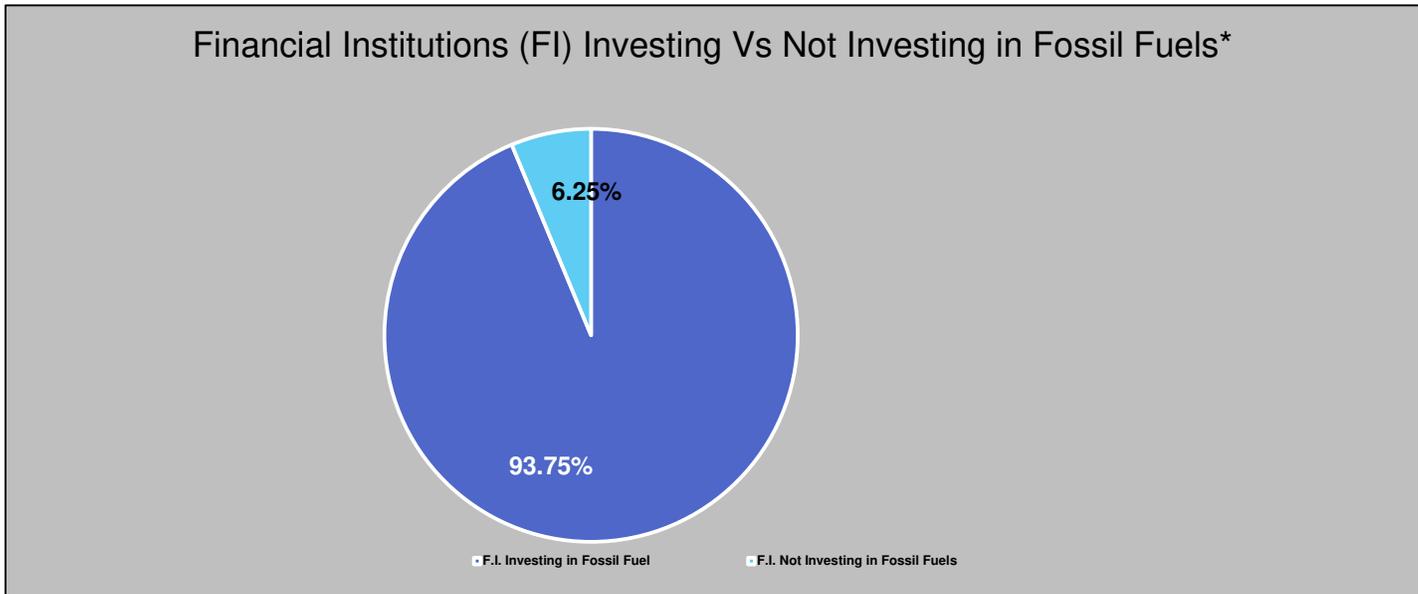
October-22



Municipal Funds	\$107,629,732	YTD Return	2.45%
Reserve Funds	\$103,475,851	Benchmark	3.10%
	<u>\$211,105,583</u>	RBA Rate	2.60%

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 OCTOBER 2022 (Subject to end of year finalisation)

1. Rates \$156,284

This favourable variance mainly arose from Interim Rates \$154,925.

2. Grants and Subsidies \$164,172

This favourable variance arose from additional grant funds in relation to General Purpose Grant \$97,466 and Federal Road (FLRG) Grant \$31,304.

3. Contributions Reimbursements and Donations \$77,779

This favourable variance mainly occurred due to Other Miscellaneous Reimbursements \$90,803 from a Telstra Outage Reimbursement (\$42,292) and Parks invoices for breaches of local laws and accidents with damage to the City's Infrastructure (\$48,056).

4. Profit on Asset Disposals \$45,870

This favourable variance arose due to profit on disposal of fleet and plant \$45,870.

5. Fees and Charges (\$255,026)

	YTD Budget	YTD Actual	Variance
a) Sports and Recreation Fees	\$2,818,906	\$3,096,981	\$278,075
b) Refuse Charges	\$22,339,264	\$22,071,216	(\$268,048)
c) Parking Fees	\$1,298,567	\$1,123,532	(\$175,035)
d) Fines and Penalties	\$177,003	\$105,988	(\$71,015)
e) Other Fees and Charges	\$1,101,445	\$1,048,952	(\$52,493)
Other Fees & Charges	\$2,238,488	\$2,271,978	\$33,490
	<u>\$29,973,673</u>	<u>\$29,718,647</u>	<u>(\$255,026)</u>

a) Favourable variance arose from Membership Fees \$205,952 and Park Hire \$44,502.

b) An unfavourable variance arose due to Waste Refuse Service Charges (\$273,195).

c) This unfavourable variance was due to Off Street Parking Fees (\$153,249) and On Street Parking Fees (\$68,629).

d) This unfavourable variance arose mainly due to Parking Infringements (\$62,030).

e) This unfavourable variance mainly occurred due to Fines Enforcement Registry Charges (\$40,065).

6. Interest Earnings \$1,119,211

This favourable variance arose mainly due to higher than estimated Interest from Other Financial Institutions \$1,123,387.

7. Other Revenue/Income \$683,965

This favourable variance arose due to Net Revenue from TPRC Catalina Estate Sales \$671,193.

8. Employee Costs \$1,247,449

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$22,145,850	\$20,924,995	\$1,220,855
Other Employment Costs	\$1,763,664	\$1,737,070	\$26,594
	<u>\$23,909,514</u>	<u>\$22,662,065</u>	<u>\$1,247,449</u>

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

9. Materials and Contracts \$2,445,912

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$4,498,565	\$3,744,047	\$754,518
b) Waste Management Services	\$5,872,776	\$5,448,256	\$424,520
c) Computing	\$1,208,643	\$817,029	\$391,614
d) Professional Fees & Costs	\$961,606	\$665,480	\$296,126
e) Public Relations, Advertising and Promotions	\$348,878	\$127,731	\$221,147
f) Administration	\$477,785	\$283,867	\$193,918
g) Accommodation & Property	\$524,616	\$429,646	\$94,970
h) Telephones and Communication	\$279,828	\$198,538	\$81,290
i) Contributions & Donations	\$459,590	\$380,539	\$79,051
j) Other Materials	\$815,885	\$879,853	(\$63,968)
k) Travel, Vehicles & Plant	\$616,004	\$679,564	(\$63,560)
Other Materials & Contracts	\$1,251,293	\$1,215,007	\$36,286
	<u>\$17,315,469</u>	<u>\$14,869,557</u>	<u>\$2,445,912</u>

a) Favourable variances arose from External Contractors and Services \$910,162, including Parks \$293,417, Core System Replacement Project \$181,111, Buildings \$91,879, Marketing \$78,237, City Projects \$61,733 and Director Infrastructure Services \$81,531 for Asset Assessments, partially offset by an unfavourable variance on Roads (\$76,467). In addition an unfavourable variance occurred on Programme Activities (\$222,326) in relation to Joondalup Festival (\$119,105) and Valentine's Day Concert (\$36,406). The balance is spread across a number of areas.

b) A favourable variance arose from Recycling and Govt Levy Processing \$447,107, General Waste Tipping Fees \$218,451, partially offset by Collection of Bulk Hard Waste (\$97,075) and General Waste Collection (\$70,902). The balances of variances are spread across a number of areas.

- c) This favourable variance arose from Computer Software Subscriptions \$170,004, Computer Software Maintenance \$144,330 and Data Communication Links \$53,244.
- d) A favourable variance arose mainly due to Consultancy \$194,797 driven by the Housing Review \$143,500, partially offset by Legal Expenses (\$51,546). The balances of variances are spread across a number of areas.
- e) Favourable variance arose due to Advertising General \$77,076 and Promotions \$55,504. The balances of variances are spread across a number of areas.
- f) Favourable variance arose mainly on Photography and Video Production \$68,606. The balances of variances are spread across a number of areas.
- g) This favourable variance arose from Council Rates (CoJ Properties) \$92,047, partially offset by Water Rates (CoJ Properties) (\$55,218). The balances of variances are spread across a number of areas.
- h) This favourable variance mainly occurred due to Mobile Phones, Pagers and Radios \$33,934. The balances of variances are spread across a number of areas.
- i) A favourable variance arose from Grants & Contributions Made \$132,077, partially offset by an unfavourable variance from Sponsorship (\$82,010). The balances of variances are spread across a number of areas.
- j) This unfavourable variance mainly occurred due to Materials – Building Minor Works (\$48,225). The balances of variances are spread across a number of areas.
- k) An unfavourable variance arose from Fuel (\$39,826). The balances of variances are spread across a number of areas.

10. Utilities

\$232,558

Favourable variance arose due to electricity invoices on Buildings \$177,577 due to the change to a new contract with Synergy for the contestable sites and Parks \$71,959.

11. Depreciation & Amortisation of Non-Current Assets

\$923,812

Favourable variance due to Depreciation for Drainage Infrastructure \$510,372 due to revaluation which increased the useful life to 120 years to be adjusted in the mid year budget review. Other favourable variances also occurred on impairment of Assets \$409,448 and Depreciation for Road Infrastructure \$67,304. This was partially offset by an unfavourable variance on Depreciation for Mobile and Other Plant (\$79,782). The balances of variances are spread across a number of areas.

12. Loss on Asset Disposals

(\$3,401)

Unfavourable variance arose due to Loss on Asset Disposal for Fleet and Plant (\$3,401).

13. Interest Expenses

\$21,494

Favourable variance arose due to Interest of Lease Liability \$21,494.

14. Insurance Expenses

\$856,233

Favourable timing variance arose due to timing on invoices in relation to Public Liability \$364,451, Industrial Special Risk \$340,097, Other General Insurances \$98,223 and Motor Vehicles Insurance \$59,438.

15. Movement in Non-current items

(\$48,665)

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

16. Capital Grants and Subsidies

\$3,784,209

	YTD Budget	YTD Actual	Variance
a) State Government Grants - Capital - Other	\$413,580	\$1,975,151	\$1,561,571
b) Commonwealth Grants - Capital Other	\$170,000	\$1,453,579	\$1,283,579
c) Commonwealth Grants & Subsidies – Capital – Black Spot	\$26,000	\$707,355	\$681,355
d) Other Grants and Subsidies – Capital - Other	\$12,766	\$371,886	\$359,120
e) Commonwealth Grants – Capital Roads to Recovery	\$395,000	\$252,109	(\$142,891)
Other Grants and Subsidies	\$2,595,946	\$2,637,421	\$41,475
	<u>\$3,613,292</u>	<u>\$7,397,501</u>	<u>\$3,784,209</u>

- a) Favourable variance relates to BCW2650 Sorrento Football Club \$700,000 and recognition of unspent grant income on the unbudgeted State Urban Bike Trail Grant \$300,000. A council decision will be required to include expenditure within the budget.
- b) This favourable variance arose in the recognition of unspent grant income from the previous financial year in relation to 18 LRCI projects \$1,309,594. In addition the final instalment of LRCI Phase 1 income was received \$143,985.
- c) This favourable variance arose in the recognition of unspent grant income from the previous financial year in relation to SBS2091 Marmion Ave and Coral St Intersection \$167,951. A favourable variance also occurred due to advance funding received for SBS2096 Hepburn Ave/Karuah Way Intersection Upgrade \$297,800 and SBS2095 Hepburn Ave/Amalfi Dr Roundabout Improvements \$192,520.
- d) 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 funding received which was originally expected in 2021/22 for MPP2058 Chichester Park Clubrooms Redevelopment \$200,000.
- e) This unfavourable variance occurred due to RPR3247 Country Club Boulevard (\$245,197) and RPR3248 Fairway Cir – Country Club to Royal Melbourne (W) (\$52,599) expected in December 2022. This was partially offset by 4th quarterly payment received from 2021/22 for RPR3181 Seacrest Drive – Reef Ct to Parnell Ave \$57,922.

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

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

18. Other Non-Operating Revenue **\$178,152**

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

19. Capital Projects **\$272,145**

This favourable variance arose due to Network Infrastructure Upgrade Program \$66,000, IT Disaster Recovery Facilities \$66,000 and Cafes/Restaurants/Kiosks \$52,059. The balances of variances are spread across a number of projects.

20. Capital Works

(\$1,373,608)

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Streetscape Enhancement Program (SSE)	5	\$255,387	\$1,006,104	(\$750,717)	SSE2056 – (\$370,290) SSE2059 – (\$306,448)
b) Major Projects Program (MPP)	8	\$2,602,584	\$3,237,358	(\$634,774)	MPP2050 – (\$832,955)
c) Parks Development Program (PDP)	18	\$544,500	\$974,139	(\$429,639)	PDP2354 – (\$286,178)
d) Road Preservation/Resurfacing Program (RPR)	84	\$2,049,856	\$2,174,332	(\$124,476)	RPR3256 – (\$131,976)
e) Path Replacement Program (FPR)	9	\$257,000	\$34,594	\$222,406	FPR2268 - \$185,000
f) Parks Equipment Program (PEP)	40	\$671,023	\$505,303	\$165,720	PEP2707 – \$158,379
g) Major Road Construction Program (RDC)	11	\$555,000	\$479,418	\$75,582	RDC2030 – \$72,000
h) New Paths (FPN)	13	\$120,262	\$47,004	\$73,258	FPN2299 - \$54,386
Other Programs	74	\$2,687,800	\$2,658,768	\$29,032	
	262	\$9,743,412	\$11,117,020	(\$1,373,608)	

- a) Unfavourable variance occurred due to SSE2056 City Centre Streetscape Renewal Program (\$370,290), SSE2059 Joondalup Drive Streetscape Upgrades (\$306,448) ahead of schedule.
- b) Unfavourable variance relates to MPP2050 Craigie Leisure Centre Upgrades (\$832,955) and MPP2058 Chichester Park Clubrooms Redevelopment (\$469,819). This was partially offset by a favourable variance on MPP2006 Cafes/Kiosks/Restaurants – Pinnaroo Point \$413,000, MPP2077 Burns Beach Café/Kiosks/Restaurant \$140,000 and MPP2080 Burns Beach Coastal Node Redevelopment \$80,000.
- c) Variance relates to PPD2354 Killen/Sycamore Park Amenity Upgrades (\$286,178) and PDP2344 Glengarry Park Irrigation Network (\$51,697) both ahead of schedule.
- d) Unfavourable variance is due to projected completed earlier than planned RPR3256 Bernedale Way – Pynter Dr to Langholm PI (\$131,976), RPR3260 Mapleton Place (\$60,392), RPR3257 Sillmon Way (\$57,621) and RPR3258 Jope Place (\$51,065), partially offset by a favourable variance on RPR3247 Country Club Boulevard \$60,213.
- e) Favourable variance occurred due to delays on FPR2268 Marmion Ave – Edinburgh to Burns Beach \$185,000.
- f) Variance mainly relates to delays on PEP2707 Whitfords Nodes Park Health & Wellbeing Hub \$158,379.
- g) A favourable variance occurred mainly due to RDC2030 Moolanda Boulevard Pedestrian Footbridge \$72,000.
- h) Favourable variance relates mainly due to FPN2299 Coastal Shared Path Design \$54,386 currently in the investigation phase.

21. Vehicle and Plant Replacements

\$354,974

A favourable timing variance arose in relation to capital acquisition of three Isuzu Trucks \$335,644 and two Dual Cab Utes \$100,000, partially offset by an Auto Tip Truck (\$176,800).

22. Proceeds from Disposal

\$173,955

A favourable variance arose due to timing of proceeds received from the disposal of fleet \$173,955.

23. 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.

24. Closing Funds
\$10,052,595

	June 2022*	October 2022
Current Assets		
Cash and Investments		\$212,659,228
Rates Outstanding, Sundry Debtors and Other Receivables		\$28,070,307
Accrued Income		\$1,199,871
Prepayments		\$197,067
Inventories		\$130,377
Total Current Assets		\$242,256,850
Current Liabilities		
Trade Creditors		\$2,517,697
Sundry Payables		\$22,119,600
Accrued Expenses		\$4,395,372
Other Payables		-
Borrowings		\$457,985
Lease Liability		\$318,317
Provision for Annual Leave		\$4,663,377
Provision for Long Service Leave		\$6,725,793
Provision for Purchased Leave		\$204,411
Provision for Workers Compensation Insurance		\$4,439,546
Provision for Sick Leave		\$975,554
Other Provisions		\$9,415
Total Current Liabilities		\$46,827,067
Net Current Assets		\$195,429,783
Add back: Borrowings		\$457,985
Add back: Lease Liabilities		\$318,317
Add back: Contract Liabilities for developer contributions		\$1,221,867
Less: Cash Backed Reserves		\$103,475,851
Closing Funds – Surplus/(Deficit)		\$93,952,101

* Subject to finalisation of 2021-22 end of year