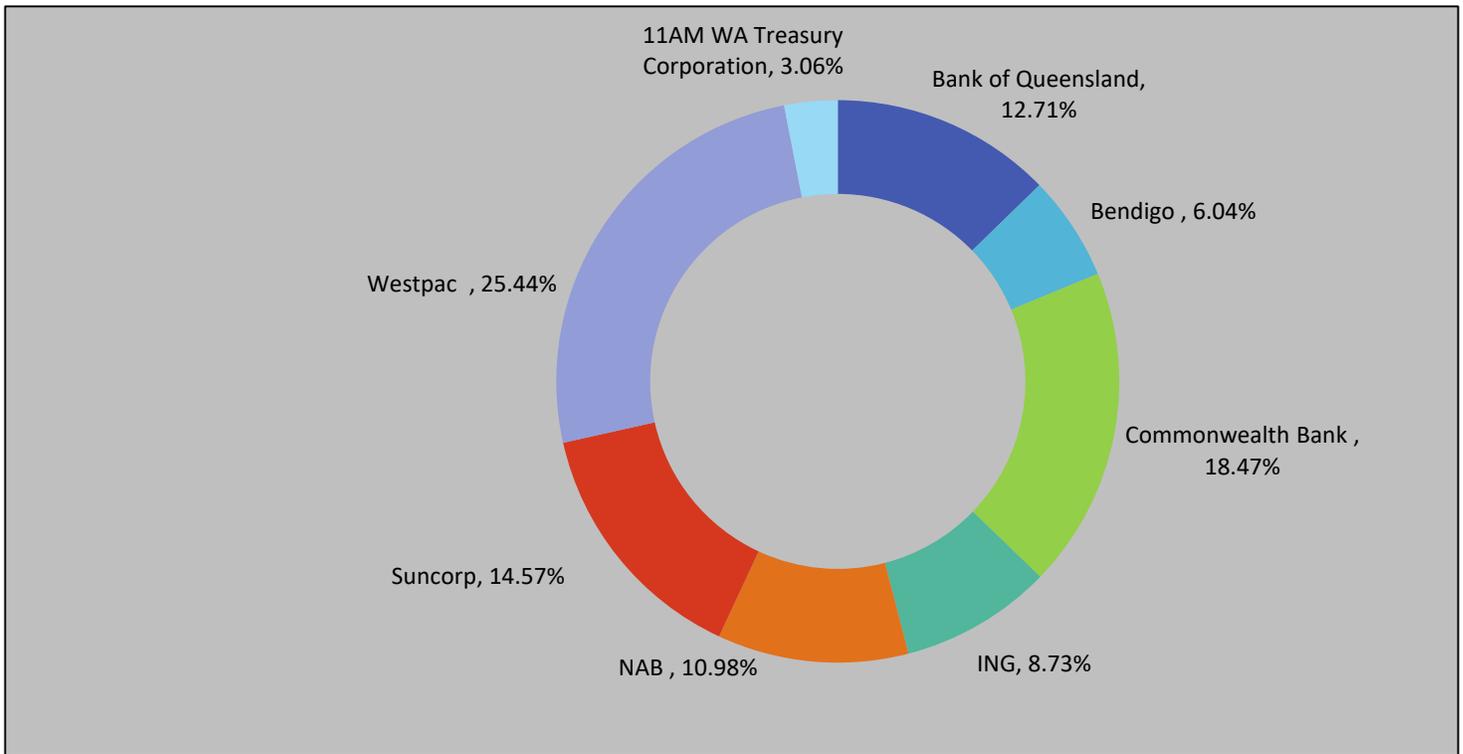


	Notes	Amended Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(104,599,384)	(104,599,384)	(104,702,507)	103,123	0%
Specified Area Rates		(727,440)	(727,440)	(728,226)	786	0%
Grants and Subsidies	2	(1,606,171)	(844,586)	(958,183)	113,597	13%
Contributions Reimbursements and Donations		(1,563,862)	(817,121)	(850,812)	33,691	4%
Profit on Asset Disposals	3	(1,436,831)	(5,535)	(66,582)	61,047	100%
Fees and Charges	4	(42,474,492)	(33,010,101)	(32,734,548)	(275,553)	(1)%
Interest Earnings	5	(1,252,345)	(697,996)	(2,823,955)	2,125,959	100%
Other Revenue/Income	6	(362,000)	(181,000)	(1,138,853)	957,853	100%
Total Operating Revenue		(154,022,525)	(140,883,163)	(144,003,666)	3,120,503	2%
OPERATING EXPENSES						
Employee Costs	7	68,399,625	35,107,455	33,676,178	1,431,277	4%
Materials and Contracts	8	56,458,392	26,706,077	23,704,450	3,001,627	11%
Utilities (gas, electricity, water etc.)	9	5,949,026	2,942,142	2,651,972	290,170	10%
Depreciation & Amortisation of Non-Current Assets	10	32,132,620	16,049,758	15,320,641	729,117	5%
Loss on Asset Disposals	11	94,759	47,148	29,081	18,067	38%
Interest Expenses	12	327,150	155,685	133,837	21,848	14%
Insurance Expenses	13	1,666,704	1,654,556	1,587,103	67,453	4%
Total Operating Expenses		165,028,276	82,662,821	77,103,262	5,559,559	7%
(SURPLUS)/DEFICIT FROM OPERATIONS		11,005,751	(58,220,342)	(66,900,404)	8,680,062	15%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(32,132,620)	(16,049,758)	(15,320,641)	(729,117)	(5)%
Loss on Asset Disposal		(94,759)	(47,148)	(29,081)	(18,067)	(38)%
Profit on Asset Disposals		1,436,831	5,535	66,582	(61,047)	100%
Movement in Non-current Items		(100,000)	(50,000)	(49,774)	(226)	(0)%
OPERATING CASH (SURPLUS)/DEFICIT		(19,884,797)	(74,361,712)	(82,233,318)	7,871,605	11%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	14	(12,046,776)	(3,871,985)	(7,531,062)	3,659,077	95%
Capital Contributions	15	(1,985,066)	(30,444)	(11,184)	(19,260)	(63)%
Equity Distribution - TPRC	16	(1,333,333)	(1,333,333)	(1,666,666)	333,333	25%
Other Non-Operating (GST Reimb TPRC Land Sales)	17	-	-	(188,477)	188,477	100%
Total Non-Operating Revenue		(15,365,175)	(5,235,762)	(9,397,389)	4,161,627	100%
CAPITAL EXPENDITURE						
Capital Projects	18	2,327,883	1,015,814	634,644	381,170	38%
Capital Works	19	57,874,005	18,290,858	17,694,910	595,948	3%
Vehicle and Plant Replacements	20	3,305,165	873,165	654,292	218,873	25%
Total Capital Expenditure		63,507,053	20,179,837	18,983,846	1,195,991	6%
CAPITAL (SURPLUS)/DEFICIT		48,141,878	14,944,075	9,586,457	5,357,618	100%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		28,257,081	(59,417,637)	(72,646,861)	13,229,223	22%
FUNDING						
Proceeds from Disposal	21	(1,916,500)	(104,000)	(253,815)	149,815	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		16,587,121	-	-	-	0%
Opening Funds	22	(53,549)	(53,549)	(9,148,338)	9,094,789	100%
CLOSING FUNDS	23	83,858	(59,123,658)	(81,597,486)	22,473,827	38%

INVESTMENT SUMMARY

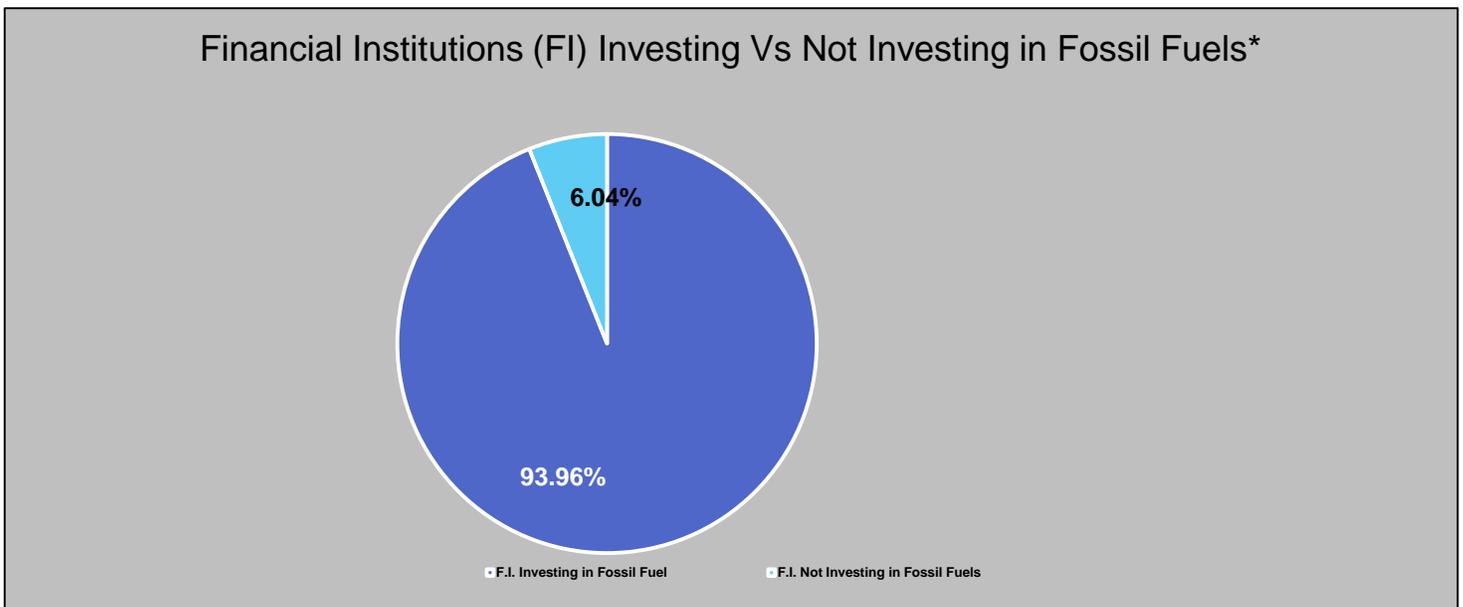
December-22



Municipal Funds	\$98,135,643	YTD Return	2.80%
Reserve Funds	\$95,464,940	Benchmark	3.60%
	\$193,600,583	RBA Rate	3.10%

<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 DECEMBER 2022

1. Rates \$103,123

This favourable variance mainly arose from additional Interim Rates.

2. Grants and Subsidies \$113,597

This favourable variance arose from General Purpose Grant \$194,932 and Federal Road (FLRG) Grant \$62,608 allocations being higher than estimated; this has been partially offset by Other Operating State Grants and Subsidies (\$165,689) mainly arising from the Fire Mitigation grant having been received in the prior year, earlier than estimated. This will be adjusted in the Mid-year Budget Review.

3. Profit on Asset Disposals \$61,047

This favourable variance mainly arose from profit on disposal of fleet and plant \$60,777.

4. Fees and Charges (\$275,553)

	YTD Budget	YTD Actual	Variance
a) Sports and Recreation Fees	\$4,210,687	\$4,644,365	\$433,678
b) Parking Fees	\$1,953,350	\$1,654,517	(\$298,833)
c) Refuse Charges	\$22,370,260	\$22,100,101	(\$270,159)
d) Fines and Penalties	\$267,255	\$200,641	(\$66,614)
e) Other Fees and Charges	\$1,275,648	\$1,211,465	(\$64,183)
Other Fees & Charges	\$2,932,901	\$2,923,459	(\$9,442)
	<u>\$33,010,101</u>	<u>\$32,734,548</u>	<u>(\$275,553)</u>

a) Favourable variance arose from higher Membership Fees \$343,475 and Park Hire \$62,558.

b) This unfavourable variance was due to lower than estimated Off Street Parking Fees (\$184,088) and On Street Parking Fees (\$117,808).

c) An unfavourable variance arose due to Waste Refuse Service Charges (\$277,274) from the estimates of additional refuse services and bins during the year which will be updated in the Mid-year Budget Review.

d) This unfavourable variance arose mainly due to lower Parking Infringements (\$58,096) than estimated.

e) This unfavourable variance mainly occurred due to lower Fines Enforcement Registry Charges (\$54,415).

5. Interest Earnings \$2,125,959

This favourable variance arose mainly due to higher than estimated Interest from Other Financial Institutions \$2,109,784, owing mainly to significantly higher term deposit interest rates compared to budget estimates.

6. Other Revenue/Income \$957,853

This favourable variance arises mainly due to Net Revenue from TPRC Catalina Estate Sales \$941,058.

7. Employee Costs \$1,431,277

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$33,310,373	\$31,881,352	\$1,429,021
Other Employment Costs	\$1,797,082	\$1,794,827	\$2,255
	<u>\$35,107,455</u>	<u>\$33,676,179</u>	<u>\$1,431,276</u>

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

8. Materials and Contracts \$3,001,627

	YTD Budget	YTD Actual	Variance
a) Waste Management Services	\$8,791,788	\$8,055,006	\$736,782
b) External Service Expenses	\$7,277,576	\$6,591,671	\$685,905
c) Professional Fees & Costs	\$1,428,814	\$889,538	\$539,276
d) Contributions & Donations	\$1,045,482	\$761,137	\$284,345
e) Public Relations, Advertising and Promotions	\$563,723	\$305,040	\$258,683
f) Administration	\$711,644	\$457,477	\$254,167
g) Computing	\$1,979,532	\$1,745,094	\$234,438
h) Telephones and Communication	\$395,915	\$279,321	\$116,594
i) Accommodation & Property	\$607,643	\$540,318	\$67,325
j) Other Materials	\$1,189,956	\$1,344,158	(\$154,202)
k) Travel, Vehicles & Plant	\$900,351	\$976,530	(\$76,179)
Other Materials & Contracts	\$1,813,653	\$1,759,160	\$54,493
	<u>\$26,706,077</u>	<u>\$23,704,450</u>	<u>\$3,001,627</u>

a) A favourable variance arose from Recycling and Govt Levy Processing \$679,156 and General Waste Tipping Fees \$384,438, partially offset by Collection of Bulk Hard Waste (\$107,925), Collection of Bulk Green Waste (\$71,863) and General Waste Collection (\$70,922). The balances of variances are spread across a number of areas. Necessary amendments will be included in the Mid-Year Budget Review.

b) Favourable variances arose from External Contractors and Services \$758,169, including Core System Replacement Project \$543,333, Parks \$217,850, Director Infrastructure Services \$111,501 for Asset Assessments, Waste Management Services \$92,862, City Projects \$61,733 and Cultural Services \$58,901, partially offset by an unfavourable variance on Roads (\$325,999) and Natural Areas (\$65,927). In

addition an unfavourable variance occurred on Programme Activities (\$172,557) in relation to Joondalup Festival (\$72,768) and Music in the Park (\$27,270) and Valentine's Day Concert (\$24,306). The balance is spread across a number of areas.

- c) A favourable variance arose mainly due to Consultancy \$288,366, Legal Expenses Recoverable \$139,687 and Lodgement Fees \$81,880, partially offset by Legal Expenses (\$94,145). The balances of variances are spread across a number of areas.
- d) A favourable variance arose from Grants & Contributions Made \$66,422 and Community Funding Program \$164,773. The balances of variances are spread across a number of areas.
- e) Favourable variance arose due to Advertising General \$101,121 and Promotions \$70,920. The balances of variances are spread across a number of areas.
- f) Favourable variance arose mainly on Printing \$82,971 and Photography and Video Production \$52,390. The balances of variances are spread across a number of areas.
- g) This favourable variance arose from Computer Software Subscriptions \$238,995 and Data Communication Links \$64,406, partially offset by Computer Software Maintenance (\$93,429). The balances of variances are spread across a number of areas.
- h) This favourable variance mainly occurred due to Mobile Phones, Pagers and Radios \$56,402. The balances of variances are spread across a number of areas.
- i) This favourable variance arose from Council Rates (CoJ Properties) \$74,788. The balances of variances are spread across a number of areas.
- j) This unfavourable variance mainly occurred due to External Material Purchases – Contract (\$128,672) and Materials – Building Minor Works (\$50,468). The balances of variances are spread across a number of areas.
- k) An unfavourable variance arose from Fuel (\$75,767). The balances of variances are spread across a number of areas.

9. Utilities

\$290,170

Favourable variance arose mainly due to timing of electricity invoices on Buildings \$189,465 and Parks \$91,857.

10. Depreciation & Amortisation of Non-Current Assets

\$729,117

Favourable variance was mainly due to Depreciation for Drainage Infrastructure \$769,278, following reassessment of remaining useful lives at the 30 June 2022, and Depreciation for Roads Infrastructure \$109,501. This was partially offset by an unfavourable variance on Depreciation for Mobile and Other Plant (\$120,498) and Depreciation for Computer & Communications Hardware (\$73,397). The balances of variances are spread across a number of areas.

11. Loss on Asset Disposals \$18,067

Favourable variance arose due to Loss on Asset Disposal for Fleet and Plant \$18,067.

12. Interest Expenses \$21,848

Favourable variance mainly arose partly due a timing variance on Interest on Lease Liability \$31,673, partly offset by an unfavourable timing variance in respect of the biannual Government Guarantee fee to WATC (\$9,824).

13. Insurance Expenses \$67,453

Favourable variance arose mainly due to Public Liability Insurance premiums \$53,106.

14. Capital Grants and Subsidies \$3,659,077

	YTD Budget	YTD Actual	Variance
a) Commonwealth Grants - Capital Other	\$170,000	\$1,453,579	\$1,283,579
b) State Government Grants - Capital - Other	\$413,580	\$1,975,151	\$1,561,571
c) Commonwealth Grants & Subsidies- Capital – Black Spot	\$26,000	\$707,355	\$681,355
d) Other Grants and Subsidies – Capital - Other	\$61,659	\$309,447	\$247,788
e) Commonwealth Grants – Capital Roads to Recovery	\$395,000	\$252,109	(\$142,891)
Other Grants and Subsidies	\$2,805,746	\$2,833,421	\$27,675
	<u>\$3,871,985</u>	<u>\$7,531,062</u>	<u>\$3,659,077</u>

- a) This favourable variance arose from the recognition of unspent grant income at the dn of 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, that is well over a year later than expected. This is offset by delays to Q1 anticipated payment (\$170,000).
- b) Favourable variance relates to \$700,000 in respect of BCW2650 Sorrento Football Club and recognition of unspent grant income received at 30 June 2022 on the unbudgeted State Urban Bike Trail Grant \$300,000. A council decision will be sought in the Mid-Year Review to include project expenditure within the budget. A favourable variance also pertains to recognition of unspent grant income at 30 June 2022 on SBS2092 Marmion Ave and Forrest Rd Intersection \$274,105 and SBS2093 Ocean Reef Rd and Gwendoline Dr \$253,175.
- 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 arose 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 relation to funding received that 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). This was partially offset by 4th quarterly payment received from 2021/22 for RPR3181 Seacrest Drive – Reef Ct to Parnell Ave \$57,922.

15. Capital Contributions

(\$19,260)

This unfavourable timing variance arose in respect of the contribution expected for BCW2651 Kingsley Football Club Awning (\$30,444).

16. Equity Distribution - TPRC

\$333,333

This favourable variance arose due to higher than estimated distribution received from TPRC following revision of TPRC's estimated distributions to member councils for the year. The Mid-Year Budget Review includes the appropriate update.

17. Other Non-Operating Revenue

\$188,477

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

18. Capital Projects

\$381,170

This favourable variance mainly arose due to Network Infrastructure Upgrade Program \$95,358, Cafes/Restaurants/Kiosks \$70,198 and Self-Serve Kiosk Replacement \$60,000. The balances of variances are spread across a number of projects.


19. Capital Works
\$595,948

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Parks Equipment Program (PEP)	40	\$1,608,979	\$962,101	\$646,878	PEP2707 – \$322,031
b) Path Replacement Program (FPR)	9	\$363,000	\$42,230	\$320,770	FPR2268 - \$184,698
c) Road Preservation/Resurfacing Program (RPR)	84	\$3,793,309	\$3,507,802	\$285,507	RPR3257 – \$62,779
d) New Paths (FPN)	13	\$381,230	\$174,919	\$206,311	FPN2240 - \$92,833
e) Street Lighting Program (STL)	12	\$1,000,036	\$824,569	\$175,467	STL2092 – \$223,770
f) Major Projects Program (MPP)	8	\$5,298,940	\$5,184,243	\$114,697	MPP2006 – \$613,000 MPP2050 – (\$821,528)
g) Parks Development Program (PDP)	18	\$1,599,000	\$1,538,994	\$60,006	PDP2222 – \$182,680
h) Streetscape Enhancement Program (SSE)	5	\$309,387	\$1,049,646	(\$740,259)	SSE2056 – (\$379,579) SSE2059 – (\$322,062)
i) Major Building Capital Works Program (BCW)	20	\$1,990,369	\$2,152,530	(\$162,161)	BCW2650 – (\$229,985)
j) Parking Facilities Program (PFP)	7	\$108,000	\$254,820	(\$146,820)	PFP2098 – (\$145,141)
k) Foreshore and Natural Areas Management Program (FNM)	7	-	\$131,868	(\$131,868)	FNM2051 – (\$117,213)
l) Local Traffic Management Program (LTM)	14	\$508,240	\$623,828	(\$115,588)	LTM2194 – (\$66,426)
Other Programs	27	\$1,330,368	\$1,247,360	\$83,008	
	264	\$18,290,858	\$17,694,910	\$595,948	

- a) A favourable variance mainly relates to delays on PEP2707 Whitfords Nodes Park Health & Wellbeing Hub \$322,031, PEP2804 Melene Park Playspace Renewal \$75,438, PEP2847 Galston Park Playspace \$69,241 and delays on PEP2795 Flinders Park Playspace \$66,509. This was partially offset by PEP2853 BMX Track Upgrades (\$53,378).
- b) Favourable variance occurred due to delays on FPR2268 Marmion Ave – Edinburgh to Burns Beach \$184,698, FPR2018 Pedestrian Accessibility Improvements \$73,305 and FPR2001 Pathway Replacement Program \$68,516.
- c) Favourable variance is due to savings on completed project RPR3257 Sillmon Way \$62,779 and revised expected completion in March for RPR3323 Virgilia St \$61,462. Other favourable variances occurred on RPR3177 RPR Asphalt Overlay and Re-Kerbing \$54,078. This was partially offset by RPR3300 Gibson Ave – Barclay Ave to Warburton Ave (\$84,738), RPR3299 Mullaloo Dr – Marmion to Koorana Rd (\$80,455) and RPR3304 Whitfords – Barridale to Moolanda (\$94,143).
- d) Favourable variance relates mainly due to FPN2240 Burns Beach to Mindarie Dual Use Path \$92,833 and FPN2299 Coastal Shared Path Design \$65,984.
- e) A favourable variance occurred mainly due to STL2092 MacDonald Park Floodlighting Upgrade \$223,770 with completion now scheduled in March.
- f) Favourable variance relates to MPP2006 Cafes and Kiosks – Pinnaroo Point \$613,000, MPP2077 Burns Beach Café/Kiosk/Restaurant \$220,000, MPP2080 Burns Beach Coastal Node Redevelopment \$148,210 and MPP2076 Sorrento Surf Live Saving Club Redevelopment \$60,000. This was partially offset by MPP2050 Craigie Leisure Centre Upgrades (\$821,528) and MPP2058 Chichester Park Clubrooms Redevelopment (\$104,985).
- g) Variance relates to PDP2222 Ocean Reef Park Landscape Master Plan \$182,680, PDP2344 Glengarry Park Irrigation Network \$122,211 and PDP2355 Padbury N/E Cluster Parks Revitalisation \$91,651, partially offset by PPD2354 Killen/Sycamore Park Amenity Upgrades (\$370,214).
- h) Unfavourable variance occurred due to SSE2056 City Centre Streetscape Renewal Program (\$379,579), SSE2059 Joondalup Drive Streetscape Upgrades (\$322,062) and SSE2057 Leafy City Program (\$57,798) progressing ahead of schedule.
- i) An unfavourable variance mainly occurred due to BCW2650 Sorrento Football Club (\$229,985), BCW2625 Ocean Reef Park Toilets and Changerooms (\$187,229), partially offset by BCW2573 Air-conditioning Replacement Program \$79,362, BCW2666 Craigie Leisure Centre Geothermal Bore Replacement \$52,809 and BCW2672 Iluka Sports Complex Restoration Works \$51,907.
- j) An unfavourable variance arose mainly due to early completion of PFP2098 Warrigal Park Parking Improvements (\$145,141).
- k) Unfavourable variance occurred mainly due to FNM2051 Coastal & Foreshore Fencing Renewal Program (\$117,213) progressing ahead of schedule.
- l) An unfavourable variance occurred mainly due to LTM2194 Scaphella/Meridian Intersection Upgrade (\$66,426).

20. Vehicle and Plant Replacements**\$218,873**

A favourable timing variance arose in relation to capital acquisition of two Isuzu trucks \$240,507, a mower \$70,000 and a dual cab Ute \$50,000, partially offset by an unfavourable variance on an Isuzu truck (\$176,800).

21. Proceeds from Disposal**\$149,815**

A favourable variance arose mainly due to timing of proceeds received from the disposal of fleet \$149,545.

22. Opening Funds**\$9,094,789**

Variations in the actual results for 2021-22 compared to the budget estimate gave rise to a favourable variance of \$9,094,789 in opening funds. The drivers for the increased end of year surplus, after taking end of year reserve movements and other offsets into account, are reductions in capital and operating expenditure and an increase in operating revenue. Adjustment to opening funds will be reflected in the Mid Year Budget Review.

23. Closing Funds**\$22,473,827**

	June 2022	December 2022
Current Assets		
Cash and Investments	\$140,479,487	\$194,611,277
Rates Outstanding, Sundry Debtors and Other Receivables	\$4,979,660	\$16,541,477
Accrued Income	\$372,344	\$1,807,776
Prepayments	\$738,765	\$341,941
Inventories	\$708,427	\$165,353
Total Current Assets	\$147,278,683	\$213,467,824
Current Liabilities		
Trade Creditors	\$2,709,216	\$2,663,705
Sundry Payables	\$11,458,125	\$15,196,487
Accrued Expenses	\$4,266,327	\$3,249,133
Other Payables	-	-
Borrowings	\$909,513	\$457,985
Lease Liability	\$492,772	\$265,026
Provision for Annual Leave	\$4,588,626	\$4,493,915
Provision for Long Service Leave	\$6,425,430	\$6,720,770
Provision for Purchased Leave	\$208,657	\$184,819
Provision for Workers Compensation Insurance	\$3,137,004	\$4,126,737
Provision for Sick Leave	\$982,117	\$982,284
Other Provisions	\$9,415	\$9,415
Total Current Liabilities	\$35,187,202	\$38,350,276
Net Current Assets	\$112,091,481	\$175,117,548



Add back: Borrowings	\$909,513	\$457,985
Add back: Lease Liabilities	\$492,772	\$265,026
Add back: Contract Liabilities for developer contributions	\$1,221,867	\$1,221,867
Less: Cash Backed Reserves	\$105,567,295	\$95,464,940
Closing Funds – Surplus/(Deficit)	\$9,148,338	\$81,597,486