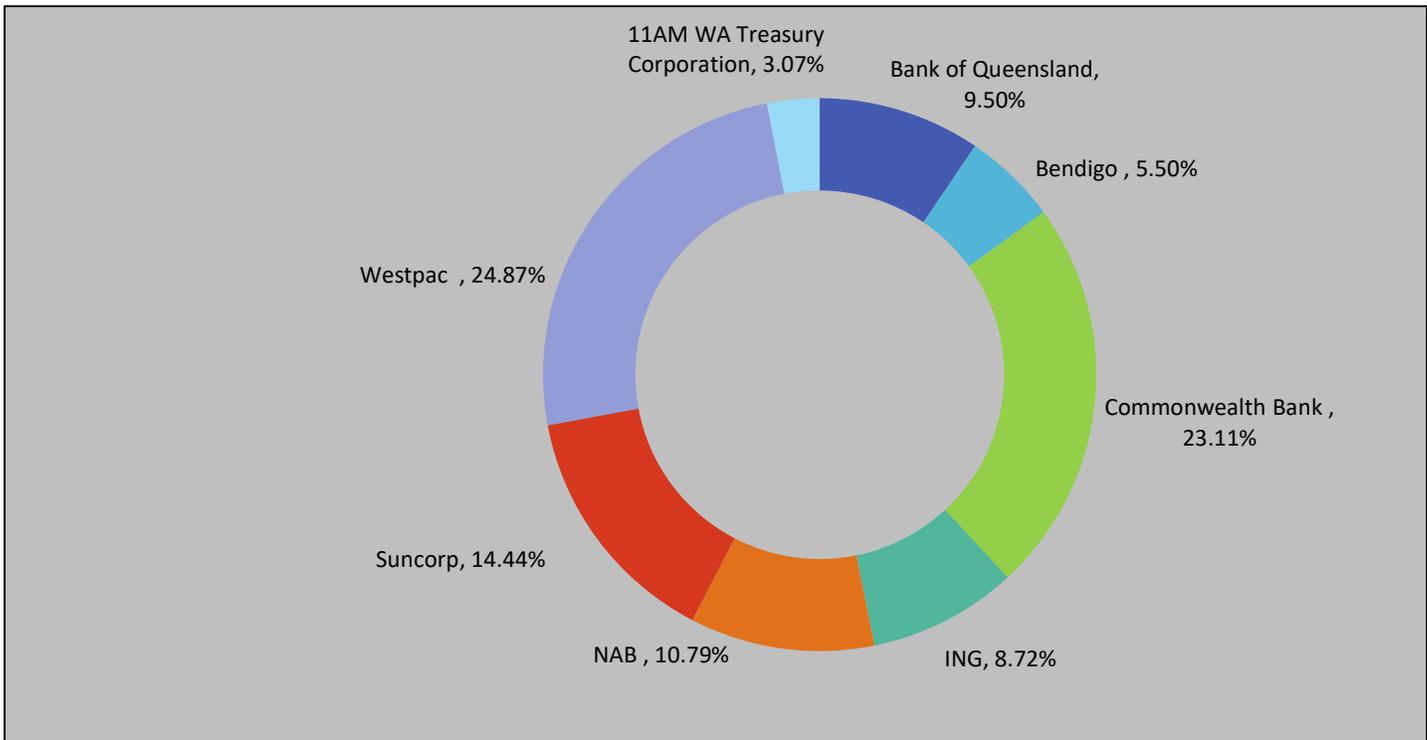


	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates		(104,755,668)	(104,755,668)	(104,769,696)	14,028	0%
Specified Area Rates		(730,291)	(730,291)	(728,815)	(1,476)	(0)%
Grants and Subsidies		(2,038,336)	(1,381,356)	(1,393,761)	12,405	1%
Contributions Reimbursements and Donations	1	(1,450,988)	(886,394)	(999,572)	113,178	13%
Profit on Asset Disposals	2	(117,783)	(104,178)	(156,088)	51,910	50%
Fees and Charges	3	(41,391,038)	(35,385,886)	(35,715,201)	329,315	1%
Interest Earnings	4	(5,714,076)	(3,897,978)	(4,020,055)	122,077	3%
Other Revenue/Income	5	(1,139,290)	(912,878)	(1,424,990)	512,112	56%
Total Operating Revenue		(157,337,472)	(148,054,629)	(149,208,178)	1,153,549	1%
OPERATING EXPENSES						
Employee Costs	6	68,419,553	44,970,186	43,738,432	1,231,754	3%
Materials and Contracts	7	56,177,718	35,772,953	32,589,915	3,183,038	9%
Utilities (gas, electricity, water etc.)		5,890,995	3,810,431	3,795,449	14,982	0%
Depreciation & Amortisation of Non-Current Assets	8	30,623,048	20,204,665	20,046,800	157,865	1%
Loss on Asset Disposals		137,379	29,081	29,081	-	0%
Interest Expenses		259,161	174,064	174,442	(378)	(0)%
Insurance Expenses		1,603,165	1,589,586	1,591,089	(1,503)	(0)%
Total Operating Expenses		163,111,020	106,550,966	101,965,208	4,585,758	4%
(SURPLUS)/DEFICIT FROM OPERATIONS		5,773,548	(41,503,663)	(47,242,970)	5,739,307	14%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(30,623,048)	(20,204,665)	(20,046,800)	(157,865)	(1)%
Loss on Asset Disposal		(137,379)	(29,081)	(29,081)	-	0%
Profit on Asset Disposals		117,783	104,178	156,088	(51,910)	50%
Movement in Non-current Items	9	(100,000)	(100,000)	21,625	(121,625)	(100)%
OPERATING CASH (SURPLUS)/DEFICIT		(24,969,096)	(61,733,230)	(67,141,138)	5,407,907	9%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	10	(10,983,164)	(6,220,624)	(9,480,794)	3,260,170	52%
Capital Contributions	11	(96,590)	(9,600)	(11,184)	1,584	17%
Equity Distribution - TPRC		(3,333,333)	(1,666,666)	(1,666,666)	-	0%
Other Non-Operating (GST Reimb TPRC Land Sales)	12	(188,477)	(188,477)	(297,374)	108,897	100%
Total Non-Operating Revenue		(14,601,564)	(8,085,367)	(11,456,018)	3,370,651	100%
CAPITAL EXPENDITURE						
Capital Projects	13	2,924,716	1,268,820	895,696	373,124	29%
Capital Works		45,623,370	23,377,055	23,346,163	30,892	0%
Vehicle and Plant Replacements	14	2,314,443	1,294,643	665,587	629,056	49%
Total Capital Expenditure		50,862,528	25,940,518	24,907,446	1,033,072	4%
CAPITAL (SURPLUS)/DEFICIT		36,260,964	17,855,151	13,451,428	4,403,723	100%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		11,291,868	(43,878,079)	(53,689,710)	9,811,630	22%
FUNDING						
Proceeds from Disposal	15	(520,955)	(284,455)	(372,000)	87,545	31%
Loans - Repayment of Principal		909,513	679,707	679,707	-	0%
Payments of Principal Portion of Lease Liability		492,769	-	-	-	0%
Transfer from Trust		(115,172)	-	-	-	0%
Transfer from Reserve		(33,626,268)	-	-	-	0%
Transfer to Reserve		30,734,481	-	-	-	0%
Opening Funds		(9,148,338)	(9,148,338)	(9,148,338)	-	0%
CLOSING FUNDS	16	17,898	(52,631,165)	(62,530,341)	9,899,175	19%

INVESTMENT SUMMARY

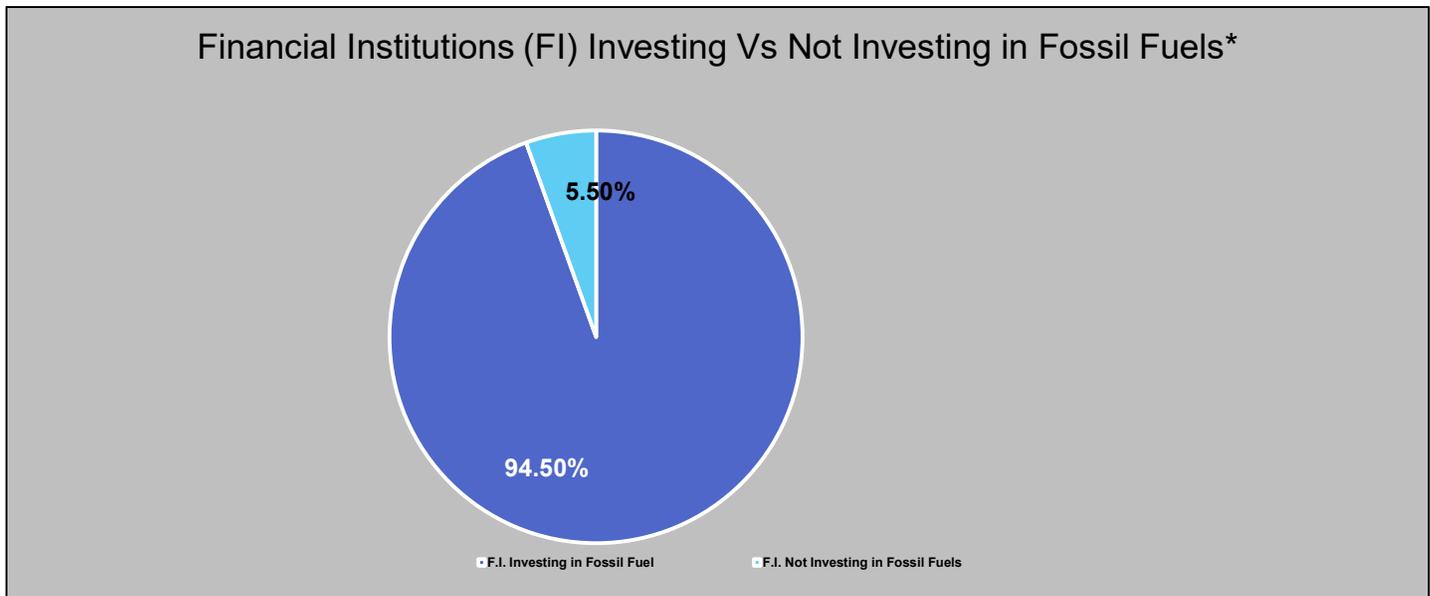
February-23



Municipal Funds	\$94,236,088	YTD Return	2.99%
Reserve Funds	\$91,060,481	Benchmark	3.85%
	<u>\$185,296,569</u>	RBA Rate	3.35%

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



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

NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2023

1. Contributions Reimbursements and Donations \$113,178

This favourable variance is mainly driven by higher than expected insurance contributions \$98,339.

2. Profit on Asset Disposals \$51,910

This favourable variance arose due to profit on disposal of fleet and plant \$51,910.

3. Fees and Charges \$329,315

	YTD Budget	YTD Actual	Variance
a) Sports and Recreation Fees	\$6,017,450	\$6,395,522	\$378,072
b) Refuse Charges	\$22,086,072	\$22,139,745	\$53,673
c) Parking Fees	\$2,251,263	\$2,155,283	(\$95,980)
Other Fees & Charges	\$5,031,101	\$5,024,651	(\$6,450)
	<u>\$35,385,886</u>	<u>\$35,715,201</u>	<u>\$329,315</u>

a) Favourable variance arose from Admission Fees \$262,919, Membership Fees \$60,719 and Park Hire \$54,921.

b) A favourable variance arose due to Waste Refuse Service Charges \$22,985.

c) This unfavourable variance was mainly due to On Street Parking Fees (\$47,854).

4. Interest Earnings \$122,077

This favourable variance arose mainly due to higher than estimated Interest from Other Financial Institutions \$76,885.

5. Other Revenue/Income \$512,112

This favourable variance arose due to Net Revenue from TPRC Catalina Estate Sales \$545,609.

6. Employee Costs \$1,231,754

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$43,146,117	\$41,954,723	\$1,191,394
Other Employment Costs	\$1,824,069	\$1,783,709	\$40,360
	<u>\$44,970,186</u>	<u>\$43,738,432</u>	<u>\$1,231,754</u>

- a) Favourable timing variances for Salaries and Wages arose from vacancies occurring in various areas during the year.

7. Materials and Contracts

\$3,183,038

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$10,889,211	\$9,357,416	\$1,531,795
b) Professional Fees & Costs	\$1,620,505	\$1,097,012	\$523,493
c) Furniture, Equipment and Artworks	\$1,993,486	\$1,470,098	\$523,388
d) Other Materials	\$1,852,812	\$1,702,308	\$150,504
e) Public Relations, Advertising and Promotions	\$614,818	\$479,269	\$135,549
f) Waste Management Services	\$10,849,110	\$10,736,598	\$112,512
g) Contributions & Donations	\$1,157,064	\$1,048,915	\$108,149
h) Administration	\$727,384	\$640,265	\$87,119
i) Members Costs	\$548,260	\$482,440	\$65,820
j) Accommodation & Property	\$690,896	\$634,868	\$56,028
k) Computing	\$2,526,362	\$2,670,502	(\$144,140)
Other Materials & Contracts	\$2,303,045	\$2,270,224	\$32,821
	<u>\$35,772,953</u>	<u>\$32,589,915</u>	<u>\$3,183,038</u>

- a) Favourable variances arose from External Contractors and Services \$1,279,777, including Asset Management Administration \$291,169 due to office fit outs, Parks \$356,801, Core System Replacement \$219,621, Natural Areas \$115,134, Lighting and Electrical \$111,762, Engineering Maintenance \$78,247, Data Collection \$72,156, City Projects \$70,200 and Waste Management Services \$50,456, partially offset by an unfavourable variance for Reactive Chemical Weeding (\$226,428). A favourable variance also occurred on Programme Activities \$204,922 mainly as a result from the Joondalup Festival \$99,957.
- b) A favourable variance arose mainly due to Consultancy \$190,133, Lodgement Fees \$189,925 and Legal Expenses Recoverable \$70,531.
- c) This favourable variance arose from Hire of Equipment \$190,969, Computer & Communication Equipment Purchase – Minor \$117,146, and Plant & Equipment Purchase – Minor \$89,359.
- d) A favourable variance mainly occurred due to Materials - Building Minor Works \$81,690 and External Material Purchases – Contract \$63,204. The balances of variances are spread across a number of areas.
- e) Favourable variance arose due to Advertising General \$93,747. The balances of variances are spread across a number of areas.
- f) A favourable variance arose from Processing – Recycling & Govt Levy \$53,582. The balances of variances are spread across a number of areas.
- g) Favourable variance arose due to Grants & Contributions Made \$35,505. The balances of variances are spread across a number of areas.
- h) This favourable variance arose mainly on Printing \$26,434. The balances of variances are spread across a number of areas.

- i) Favourable variance arose due to Elected Members Conference and Training expenses \$34,062. The balances of variances are spread across a number of areas.
- j) Favourable variance arose due to Security \$45,097. The balances of variances are spread across a number of areas.
- k) This unfavourable variance arose from Computer Software Maintenance (\$195,035), partially offset by Computer Software Licences \$79,655. The balances of variances are spread across a number of areas.

8. Depreciation & Amortisation of Non-Current Assets \$157,865

Favourable variance was mainly due to timing of Impairment/Write off of assets \$231,695, partially offset by depreciation for open reserves (\$72,419). The balances of variances are spread across a number of areas.

9. Movement in Non-current items (\$121,625)

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

10. Capital Grants and Subsidies \$3,260,170

	YTD Budget	YTD Actual	Variance
a) State Government Grants – Capital – MRRG Grant Roads	\$1,202,508	\$2,708,678	\$1,506,170
b) State Government Grants - Capital - Other	\$1,725,151	\$3,275,151	\$1,550,000
c) Commonwealth Grants & Subsidies- Capital – Black Spot	\$707,355	\$851,355	\$144,000
d) Commonwealth Grants – Capital Other	\$1,393,579	\$1,453,579	\$60,000
Other Grants and Subsidies	\$1,192,031	\$1,192,031	-
	<u>\$6,220,624</u>	<u>\$9,480,794</u>	<u>\$3,260,170</u>

- a) A favourable variance mainly arose due to final claims received for RDC2020 Warwick Rd/Erindale Rd Intersection Upgrade \$180,000 and RDC2021 Whitfords Ave/Northshore Dr Roundabout \$196,000. In addition a favourable variance occurred on RDC2027 Joondalup Dr/Hodges Dr Intersection Upgrade \$1,130,170.
- b) Favourable variance relates to RDC2031 Hepburn Ave – Lilburne to Walter Padbury \$1,150,000 with grants received earlier. A favourable variance also occurred on FPN2299 Coastal Shared Path Design \$100,000 and recognition of unspent grant income on the unbudgeted State Urban Bike Trail Grant \$300,000.
- c) This favourable variance arose in relation to the final claim for SBS2090 Marmion Avenue and Cambria St \$144,000.
- d) This favourable variance arose in relation to funds received for LRCI Phase 3 earlier than expected.

11. Capital Contributions **\$1,584**

This favourable variance occurred due to Arterial & Urban Road Street Lighting \$1,584.

12. Other Non-Operating Revenue **\$108,897**

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

13. Capital Projects **\$373,124**

This favourable variance mainly arose due to timing of Upgrading of Audio and Visual Technology of Conference Room 1 \$135,363, Network Infrastructure Upgrade Program \$125,342 and IT Disaster Recovery Facilities \$61,720. The balances of variances are spread across a number of projects.

14. Vehicle and Plant Replacements**\$629,056**

A favourable timing variance arose mainly in relation to capital acquisition of three Isuzu trucks \$350,507, a mower \$70,000 and a dual cab ute \$50,000.

15. Proceeds from Disposal**\$87,545**

A favourable variance arose mainly due to timing of proceeds received from the disposal of fleet \$87,545.

16. Closing Funds**\$9,899,175**

	June 2022	February 2023
Current Assets		
Cash and Investments	\$140,479,487	\$185,471,471
Rates Outstanding, Sundry Debtors and Other Receivables	\$4,979,660	\$2,817,574
Accrued Income	\$372,344	\$2,289,582
Prepayments	\$738,765	\$429,678
Inventories	\$708,427	\$162,935
Total Current Assets	\$147,278,683	\$191,171,240
Current Liabilities		
Trade Creditors	\$2,709,216	\$3,272,629
Sundry Payables	\$11,458,125	\$15,573,716
Accrued Expenses	\$4,266,327	\$3,629,599
Other Payables	-	-
Borrowings	\$909,513	\$229,805
Lease Liability	\$492,772	\$177,798
Provision for Annual Leave	\$4,588,626	\$4,404,240
Provision for Long Service Leave	\$6,425,430	\$6,657,651
Provision for Purchased Leave	\$208,657	\$169,146
Provision for Workers Compensation Insurance	\$3,137,004	\$4,126,737
Provision for Sick Leave	\$982,117	\$959,152
Other Provisions	\$9,415	\$9,415
Total Current Liabilities	\$35,187,202	\$39,209,888
Net Current Assets	\$112,091,481	\$151,961,352
Add back: Borrowings	\$909,513	\$229,805
Add back: Lease Liabilities	\$492,772	\$177,798
Add back: Contract Liabilities for developer contributions	\$1,221,867	\$1,221,867
Less: Cash Backed Reserves	\$105,567,295	\$91,060,481
Closing Funds – Surplus/(Deficit)	\$9,148,338	\$62,530,341