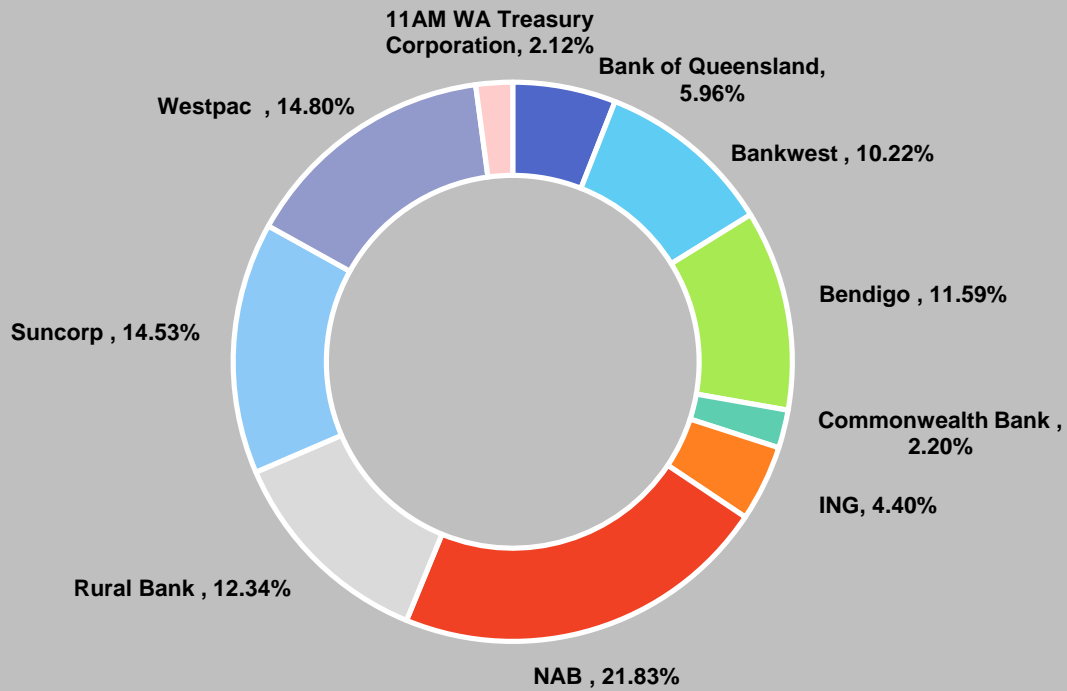


	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(100,765,907)	(100,755,907)	(100,833,293)	77,386	-
Specified Area Rates		(568,048)	(568,048)	(566,724)	(1,324)	-
Grants and Subsidies		(1,997,909)	(1,500,365)	(1,501,977)	1,612	-
Contributions Reimbursements and Donations		(1,079,459)	(789,931)	(788,044)	(1,886)	-
Profit on Asset Disposals	2	(274,549)	(243,867)	(472,342)	228,475	94%
Fees and Charges		(41,465,320)	(36,633,582)	(36,656,467)	22,885	-
Interest Earnings	3	(4,404,877)	(3,657,699)	(3,740,741)	83,042	2%
Other Revenue/Income	4	(1,041,989)	(922,489)	(990,454)	67,965	7%
Total Operating Revenue		(151,598,060)	(145,071,888)	(145,550,042)	478,154	0%
OPERATING EXPENSES						
Employee Costs	5	64,751,318	49,045,620	47,414,627	1,630,993	3%
Materials and Contracts	6	53,256,430	38,860,153	35,434,223	3,425,930	9%
Utilities (gas, electricity, water etc.)	7	5,650,882	4,125,624	4,291,784	(166,160)	(4)%
Depreciation & Amortisation of Non-Current Assets	8	30,405,036	22,843,910	22,646,733	197,177	1%
Loss on Asset Disposals	9	4,320,877	4,220,012	4,285,995	(65,983)	(2)%
Interest Expenses		478,506	352,008	351,995	13	-
Insurance Expenses		1,395,342	1,389,723	1,399,136	(9,413)	(1)%
Other Expenses		1,000	1,000	1,000	-	-
Total Operating Expenses		160,259,390	120,838,049	115,825,493	5,012,556	4%
(SURPLUS)/DEFICIT FROM OPERATIONS		8,661,332	(24,233,839)	(29,724,549)	5,490,710	23%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(30,405,036)	(22,843,910)	(22,646,733)	(197,177)	(1)%
Loss on Asset Disposal		(4,320,877)	(4,220,012)	(4,285,995)	65,983	2%
Profit on Asset Disposals		274,549	243,867	472,342	(228,475)	94%
Other Non-Current items						
Movement in Non-current Items	10	(100,000)	(100,000)	342,288	(442,288)	(100)%
OPERATING CASH (SURPLUS)/DEFICIT		(25,890,032)	(51,153,893)	(55,842,647)	4,688,753	9%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	11	(7,091,018)	(4,538,527)	(4,346,848)	(191,680)	(4)%
Capital Contributions	12	(547,439)	(64,139)	(51,281)	(12,858)	(20)%
Equity Distribution - TPRC		(666,667)	(333,333)	(333,333)	-	-
Equity Investments	13	(6,300)	(6,300)	(33,788)	27,488	100%
Total Non-Operating Revenue		(8,311,424)	(4,942,299)	(4,765,250)	(177,050)	(4)%
CAPITAL EXPENDITURE						
Capital Projects	14	7,727,679	4,256,083	4,193,826	62,257	1%
Capital Works	15	33,822,205	15,445,142	14,411,176	1,033,966	7%
Vehicle and Plant Replacements	16	2,685,299	1,207,298	890,401	316,897	26%
Loan Repayment Principal		3,201,862	2,390,130	2,390,130	-	-
Total Capital Expenditure		47,437,046	23,298,653	21,885,533	1,413,120	6%
CAPITAL (SURPLUS)/DEFICIT		39,125,622	18,356,354	17,120,283	1,236,070	7%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		13,235,590	(32,797,539)	(38,722,364)	5,924,824	18%
FUNDING						
Proceeds from Disposal		(2,359,559)	(477,283)	(483,737)	6,454	(1)%
Loans - New Borrowings		-	-	-	-	-
Transfer from Trust		(1,930,000)	-	-	-	-
Transfer from Reserve		(19,670,579)	-	-	-	-
Transfer to Reserve		9,113,389	-	-	-	-
Transfer to Accumulated Surplus		-	-	-	-	-
Transfer from Accumulated Surplus		-	-	-	-	-
Opening Funds		(4,428,425)	(4,428,425)	(4,428,425)	-	-
CLOSING FUNDS	17	(6,039,584)	(37,703,247)	(43,634,526)	5,931,279	16%



Municipal Funds
Reserve Funds

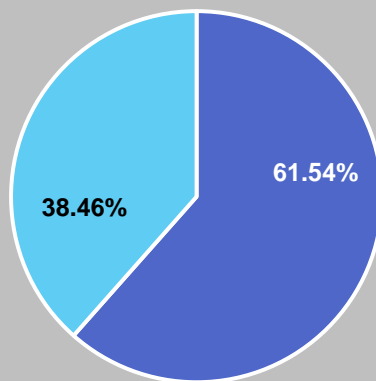
\$67,578,162
\$68,806,838
\$136,385,000

YTD Return 2.71%
Benchmark 2.00%
RBA Rate 1.50%

<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%
Bankwest	AA-	25%	Rural Bank	A-*	10%
Bendigo	A-*	10%	Suncorp	A+	15%
Commonwealth Bank	AA-	25%	Westpac	AA-	25%
ING	A+	15%	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

Fossil Fuel Vs Non Fossil Fuel Investment *



■ Fossil Fuel ■ Non Fossil Fuel

*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 2019**

1. Rates \$77,386

Rates income is slightly higher than budget predominantly arising from higher interim rates levied than anticipated year to date.

2. Profit on Asset Disposals \$228,475

This favourable timing variance arose due to the timing of the disposal of surplus land holdings and profit on sale of land at Tamala Park \$230,631, partially offset by an unfavourable timing variance for the disposal of replaced Vehicles, Plant and Equipment (\$2,156).

3. Interest Earnings \$83,042

Interest earned on investments exceeded budget by \$67,899 due to higher volumes invested and better than expected returns and Rates Penalty Interest \$14,382.

4. Other Revenue / Income \$67,695

This favourable variance arose mainly from a credit adjustment of \$45,648 due to stale cheques issued in previous years being written off as a result of non-presentation. In addition, a favourable variance arose from Rebates Received \$18,695 for rebates received from LGIS in respect of workers compensation provisions for claim years expected to be closed this financial year.

5. Employee Costs \$1,630,993

	YTD Revised Budget	YTD Actual	Variance
a) Salaries and Wages	\$46,409,068	\$45,089,131	\$1,319,937
b) Other Employment Costs	\$2,636,552	\$2,325,496	\$311,056
	<u>\$49,045,620</u>	<u>\$47,414,627</u>	<u>\$1,630,993</u>

Favourable Variance

Unfavourable Variance

- a) A favourable variance arose for Salaries and Wages in various areas including Parks \$149,947, Engineering Maintenance \$142,991, Planning Approvals \$125,448, Organisational Development Administration \$102,218, Environmental Development \$97,485, Library Operations \$82,458, Parking Services \$71,565, Landscaping and Conservation Services \$70,766, Recreation Services \$69,071, Executive and Risk Services \$53,667, Planning and Community Development \$52,572 and Marketing and Communications \$51,675 mainly due to vacant positions. The balances of variances are spread across a number of areas.
- b) Favourable variances arose for Labour Recovery - Capital Works \$203,629 and Other Employment Costs \$181,725, partially offset by an unfavourable variance for Agency Employees (\$74,298) covering vacant positions.

6. Materials and Contracts

\$3,425,930

	YTD Revised Budget	YTD Actual	Variance
a) Professional Fees and Costs	\$2,380,254	\$2,112,312	\$267,942
b) Public Relations, Advertising & Promotions	\$1,013,486	\$758,197	\$255,289
c) Computing	\$1,598,867	\$1,466,741	\$132,126
d) Administration	\$1,083,773	\$872,953	\$210,820
e) Furniture, Equipment & Artworks	\$2,042,497	\$1,709,384	\$333,113
f) Contributions & Donations	\$1,646,445	\$1,454,575	\$191,870
g) External Service Expenses	\$17,729,888	\$15,946,566	\$1,783,322
h) Telephones & Communication	\$703,149	\$635,397	\$67,752
i) Charges and Recoveries	(\$284,837)	(\$351,435)	\$66,598
j) Other Expenses	\$10,946,631	\$10,829,533	\$117,098
	<u>\$38,860,153</u>	<u>\$35,434,223</u>	<u>\$3,425,930</u>

- a) Favourable timing variances arose mainly for Consultancy \$268,140 and Recoverable Legal Expenses \$33,246, partially offset by an unfavourable timing variance for Legal Expenses (\$34,211).
- b) This favourable variance was predominantly due to Promotions \$137,354 of which \$82,706 relates to the Waste Management, Signage \$42,811, General Advertising \$30,671 and Catering \$26,892.
- c) This includes favourable timing variances for Computer Software Maintenance \$81,218, Data Communication Links \$31,857 and Internet Provider Costs \$15,314.
- d) This favourable timing variance arose predominantly from Sundry Administration Expenses \$102,131, Photography and Video Production \$32,437, Printing \$29,370 and Stationery \$20,711. The balances of variances are spread across a number of areas.

Favourable Variance
Unfavourable Variance

- e) Favourable timing variances arose mainly from Plant and Equipment Purchases – Minor \$117,421, Computer and Communications Equipment Purchases – Minor \$80,884, Plant and Equipment Maintenance and Repair \$75,705, Computer and Communications Equipment Maintenance \$24,961, Hire of Equipment \$14,176 and Furniture and Office Equipment Purchases – Minor \$13,932.
- f) Favourable timing variances arose mainly from Grants and Contributions Made \$63,890, Community Funding Program \$59,700, Sponsorship \$23,673, Prizes and Trophies \$22,085 and Donations \$21,974.
- g) This favourable timing variance mainly arose from External Contractors and Services \$1,173,076 of which \$321,791 relates to Yellagonga Wetlands – Smart Monitoring and Management Program, General Tipping Fees \$562,039, CEO Administration \$364,604 and Parks \$266,148. The balances of variances are spread across a number of areas.
- h) This favourable timing variance predominantly arose from Postage, Courier and Freight Services \$40,533 and Office Telephone and Faxes \$31,026.
- i) This favourable timing variance arose mainly from Operational Overhead Recoveries \$87,835 partially offset by an unfavourable timing variance for Capital Overhead Recoveries (\$36,910). The balances of variances are spread across other areas.
- j) Favourable timing variances arose for a number of areas including Members Costs \$48,768, Travel, Vehicles and Plant \$45,796, Books and Publications \$24,259 and Accommodation and Property \$24,131, partially offset by an unfavourable timing variance for Waste Management Services (\$29,522).

7. Utilities

(\$166,160)

Unfavourable timing variances arose mainly from Electricity costs for Parks (\$81,088), Asset Management Administration (\$56,066) and Lighting (\$54,100) partially offset by a favourable timing variance for Electricity costs for Civic Chambers \$23,835. The balances of variances are spread across a number of areas.

8. Depreciation & Amortisation of Non-Current Assets

\$197,177

Favourable variances arose for Depreciation – Buildings \$122,236, Depreciation – Open Reserves \$70,778, Depreciation - Roads Infrastructure \$48,915, Depreciation – Computer and Communications Hardware \$21,068 and Depreciation – Lighting \$20,164, partially offset by an unfavourable variance for Impairment / Write Off of Assets (\$62,081) arising from the demolition of the Jack Kikeros Community Hall and Depreciation – Computer Software (\$21,068). The balances of the variances are spread across a number of areas.

Favourable Variance

Unfavourable Variance

9. Loss on Asset Disposals

(\$65,983)

An unfavourable variance arose in respect of the transfer of the Joondalup Basketball Stadium to Landcorp (\$119,511) partially offset by a favourable timing variance from the disposal of land at Blackwattle Parade \$55,060.

10. Movement in Non-Current Items

(\$442,288)

This timing variance arose in respect of a decrease in Non-current Long Service Leave Liability, reflecting movements for the year to date.

11. Capital Grants and Subsidies

(\$191,680)

	YTD Revised Budget	YTD Actual	Variance
a) State Government – Main Roads Grant	\$1,427,935	\$1,122,815	(\$305,120)
b) State Government – Black Spot Program	\$365,647	\$234,314	(\$131,333)
c) Other Grants & Subsidies – Non-Government	\$908,524	\$1,097,161	\$188,637
d) Commonwealth Grants - Other	-	\$56,136	\$56,136
Other Grants	\$1,836,421	\$1,836,421	-
	<u>\$4,538,527</u>	<u>\$4,346,847</u>	<u>(\$191,680)</u>

a) Unfavourable timing variances arose across the program due to projects progress. This program includes 8 projects which are complete awaiting payment of final invoices including Blackall Drive – Allenswood Road to Hartly Court (\$35,040), Whitfords Avenue – Mooro Street to Wanneroo Road (East Bound) (\$40,520), Gibson Avenue – Livingstone Way to Livingstone Way (\$21,320), Gibson Avenue - Livingstone Way to Whitfords Avenue (\$12,040), Gibson Avenue - Rudall Way (North) to Hepburn Avenue (\$64,600), Delamere Road / Providence Drive Roundabout (\$11,520), Davalia Road – Grandilla Street to Beach Road (\$96,000) and Flinders Avenue / Cook Avenue Roundabout (\$15,920). Progress payment claims across these projects have been submitted to Main Roads.

b) Unfavourable timing variances arose for Marmion Avenue and Ocean Reef Road (\$40,000) and Warwick Train Station Entrance (\$27,333) which are complete awaiting contractors' invoices to submit final payment claims. In addition, unfavourable timing variances arose for Warwick Road and Allenswood Drive (\$48,000) and Marmion Avenue and Moore Drive (\$16,000) which are 95 % complete pending line-marking to be undertaken by Main Roads.

c) A favourable variance arose from an unbudgeted Community Sport & Infrastructure Grant of \$160,000 received for Kingsley Park Floodlighting Upgrade. In addition, a favourable timing variance arose from Stronger Communities Grant of \$20,000 received for Percy Doyle – Sorrento Bowling Clubrooms upgrades.

Favourable Variance

Unfavourable Variance

- d) A favourable variance arose for Tennis Court Resurfacing Program from an unbudgeted grant of \$42,000 received from an Australian Sports Grant for Warwick Tennis Court Upgrades. In addition, a favourable timing variance arose from Yellagonga Wetlands - Smart Monitoring and Management \$14,136.

12. Capital Contributions

(\$12,858)

An unfavourable variance arose mainly as the result of a misallocation made in the 2018-19 Mid-Year Budget Review where a capital contribution was actually a capital grant to the Sorrento Bowling Club Refurbishment project. This is offset by a favourable variance for Renewable Energy Certificates Income \$7,142.

13. Equity Investments

\$27,488

This favourable variance arose from GST contributions from TPRC in respect of land sales undertaken. This has arisen as a result of the new GST rules on property sales that commenced on 01 July 2018.

14. Capital Projects

\$62,257

	YTD Revised Budget	YTD Actual	Variance
a) Acquisition of land: Lot 12223, No.12 Blackwattle Parade, Padbury	\$88,000	-	\$88,000
b) Joondalup Performing Arts & Cultural Facility	\$160,928	\$57,778	\$103,150
c) Better Bins Project – 3 Bin System	\$3,215,556	\$3,387,627	(\$172,071)
d) Cafes/Restaurants/Kiosks	\$206,702	\$150,692	\$56,010
Other Programs	\$584,897	\$597,729	(\$12,832)
	<u>\$4,256,083</u>	<u>\$4,193,826</u>	<u>\$62,257</u>

- a) Favourable timing variance due to ongoing process of the acquisition which is expected to be finalised in coming months.
- b) Following Council's decision not to commence detailed design at this time, this favourable timing variance has arisen due to further project investigation/research progressing behind estimates.
- c) An unfavourable timing variance arose for this project which is progressing ahead of schedule.
- d) A favourable timing variance arose for this delayed project, expenditure for which is anticipated to increase in the coming months from the finalisation of the various lease agreements.

Favourable Variance

Unfavourable Variance

15. Capital Works

\$1,033,966

	YTD Revised Budget	YTD Actual	Variance
a) Parks Equipment Program	\$1,280,545	\$1,174,608	\$105,937
b) Street Lighting Program	\$3,175,543	\$3,248,387	(\$72,844)
c) Major Building Capital Works Program	\$1,450,920	\$1,395,487	\$55,433
d) Foreshore & Natural Areas Management Program	\$341,296	\$276,919	\$64,377
e) Major Projects Program	\$841,557	\$573,486	\$268,070
f) Parking Facilities Program	\$133,427	\$13,310	\$120,117
g) Major Road Construction Program	\$206,080	\$8,399	\$197,681
h) Road Preservation Program	\$4,389,072	\$4,269,529	\$119,543
i) Streetscape Enhancement Program	\$866,932	\$617,887	\$249,046
j) Traffic Management Program	\$857,684	\$966,131	(\$108,447)
Other Programs	\$1,902,086	\$1,867,033	\$35,053
	<u>\$15,445,142</u>	<u>\$14,411,176</u>	<u>\$1,033,966</u>

- a) A favourable timing variance arose for Whitfords Nodes Health and Wellbeing Hub \$150,238 which is currently awaiting quotations partially offset by an unfavourable timing variance for Cockman Park Play Space Renewal (\$67,248) which is complete awaiting final invoices. The balances of variances are spread across a number of areas.
- b) This unfavourable timing variance is mainly due to Stage 2 Joondalup City Centre Lighting (\$56,024) which is progressing ahead of schedule and Ocean Reef Road LED Conversion (\$46,134) which is complete with all invoices paid ahead of schedule. This is partially offset by a favourable timing variance for Sir James McCusker Park Path Lighting \$30,867 which is 10% constructed.
- c) Major Building Capital Works favourable variance is mainly due to Windermere Park Clubrooms \$51,565 which is complete under budget. In addition, a favourable timing variance arose for the Building Capital Works Various Locations \$39,737 with programming of works dependent upon results from ongoing building condition audits. This is partially offset by an unfavourable timing variance for the Environmental Initiatives Program (\$18,146).
- d) Favourable timing variances arose for Whitfords Nodes Hillarys Lookout Stairway Design \$73,743 and Bushland Reserve Paths Renewal Program \$33,762 both of which are being delivered as part of the Whitfords Nodes Health and Wellbeing Hub project. This is offset by minor unfavourable timing variances across the program.
- e) Favourable timing variances arose across the program due to projects progress including Percy Doyle - Utilities Upgrade \$146,529 with the power upgrade 75% complete and Craigie Leisure Centre Upgrades \$51,145. In addition, a favourable variance arose for Percy Doyle – Duncraig Leisure Centre Refurbishments \$33,570 which is 95% complete under budget.

Favourable Variance

Unfavourable Variance

- f) This Parking Facilities Program favourable timing variance is due to City Centre Carpark P4 Renewal \$122,096 which is complete awaiting the contractor's final invoice.
- g) The favourable timing variance for Major Road Construction Program is predominantly due to Burns Beach Road / Joondalup Drive Roundabout \$185,000 which is being delivered by Main Roads WA contractor in conjunction with the Joondalup Drive / Wanneroo Road Intersection project. Works were originally scheduled to commence January 2019 but have now been rescheduled for January 2020.
- h) Favourable timing variances arose for Braden Way \$67,427, Road Preservation – Asphalt Overlay Program \$58,204 and Cockatoo Ridge \$51,753 due to projects progress. In addition, a favourable timing variance arose for Joondalup Drive – City Boundary Westbound \$57,467 which is being delivered by Main Roads WA contractor in conjunction with the Joondalup Drive / Wanneroo Road Intersection project. This is partially offset by unfavourable timing variances for projects progressing ahead of schedule including Forest Hill Drive (\$49,656), Amadeus Gardens (\$37,692) and Arbery Avenue (\$27,599). The balances of variances are spread across a number of areas.
- i) Streetscape Enhancement Program favourable timing variance is mainly due to the City Centre Streetscape Renewal Program \$214,350 which has commenced.
- j) Unfavourable variances arose for State Black Spot Program projects Warwick Road and Allenswood Drive (\$186,488) which is 95% complete awaiting Main Roads line-marking and Marmion Avenue and Ocean Reef Road (\$52,218) which is complete. This is offset by favourable timing variances for Hepburn Avenue Road Shoulders \$73,383 which has commenced behind schedule and Grand Boulevard and Shenton Avenue \$23,271 which includes traffic light modifications to be undertaken by a Main Roads contractor. The balances of variances are spread across a number of areas.

16. Vehicle and Plant Replacements

\$316,897

This favourable variance for Fleet and Plant purchases includes timing variances for three vans and one truck \$366,117 which are progressing. Orders totalling \$942,180 have been placed and are scheduled for delivery in the coming months.

17. Closing Funds
\$5,677,501

	June 2018	March 2019
Current Assets		
Cash and Investments	\$100,085,669	\$136,403,740
Rates Outstanding, Sundry Debtors and Other Receivables	\$3,026,090	\$3,274,105
Accrued Income	\$1,208,522	\$1,654,442
Prepayments	\$687,023	\$267,079
Inventories	\$188,284	\$164,441
Total Current Assets	\$105,195,588	\$141,763,807
Current Liabilities		
Trade Creditors	\$4,522,569	\$1,179,157
Sundry Payables	\$610,874	\$3,603,882
Accrued Expenses	\$5,116,012	\$3,965,609
Other Payables	\$2,305,685	-
Borrowings	\$3,201,862	\$811,734
Provision for Annual Leave	\$4,497,672	\$4,460,573
Provision for Long Service Leave	\$5,855,900	\$6,123,283
Provision for Workers Compensation Insurance	\$2,503,467	\$3,458,025
Provision for Sick Leave	\$1,006,450	\$997,850
Other Provisions	\$196,914	\$189,281
Total Current Liabilities	\$29,817,405	\$24,789,394
Net Current Assets	\$75,378,183	\$116,974,413
Add back: Borrowings	\$3,201,862	\$811,734
Less: Cash Backed Reserves	\$74,151,621	\$74,151,621
Closing Funds – Surplus/(Deficit)	\$4,428,425	\$43,634,526

Favourable Variance
Unfavourable Variance