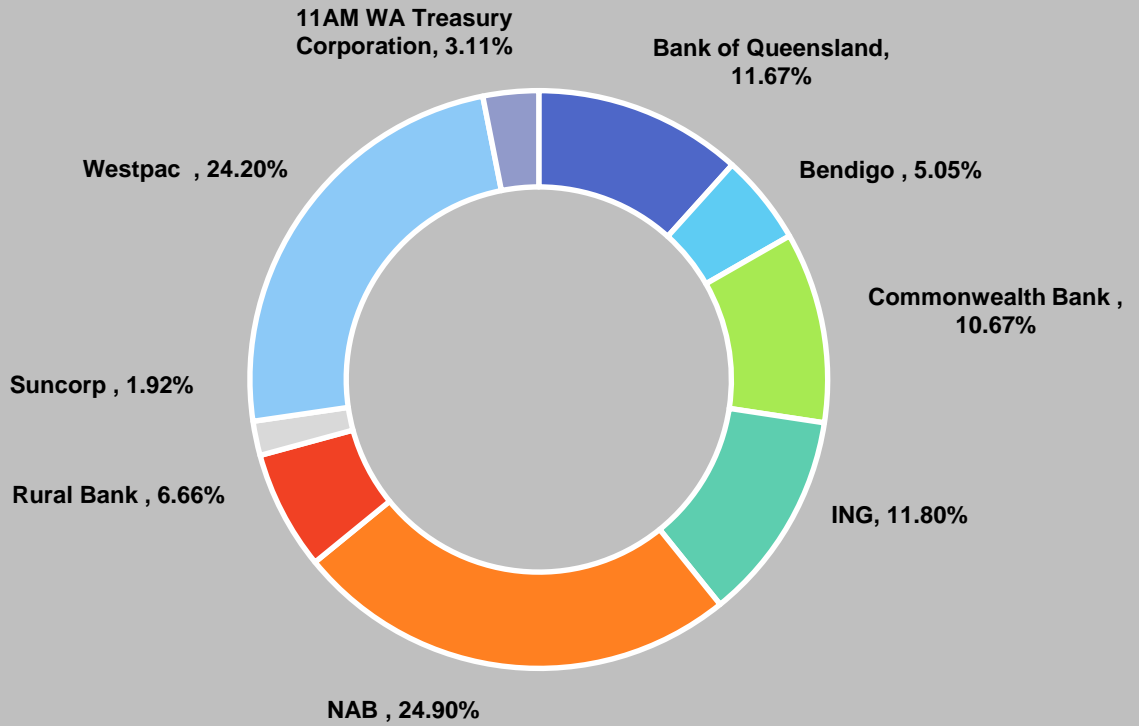


	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates		(98,078,153)	(97,829,198)	(97,810,204)	(18,994)	(0)%
Specified Area Rates		(705,776)	(705,776)	(705,774)	(2)	(0)%
Grants and Subsidies	1	(5,880,451)	(1,399,938)	(658,437)	(741,501)	(53)%
Contributions Reimbursements and Donations	2	(1,070,156)	(202,691)	(346,546)	143,855	71%
Profit on Asset Disposals	3	(98,529)	(7,558)	(337,814)	330,256	100%
Fees and Charges	4	(40,020,382)	(26,429,736)	(26,684,598)	254,862	1%
Interest Earnings	5	(1,105,049)	(276,647)	(471,495)	194,848	70%
Other Revenue/Income	6	(551,191)	(185,946)	(203,879)	17,934	10%
Total Operating Revenue		(147,509,687)	(127,037,489)	(127,218,747)	181,258	(0)%
OPERATING EXPENSES						
Employee Costs	7	64,094,974	16,595,925	15,712,382	883,543	(5)%
Materials and Contracts	8	52,096,994	12,581,306	10,461,483	2,119,823	(17)%
Utilities (gas, electricity, water etc.)	9	6,114,625	1,499,175	1,389,689	109,486	(7)%
Depreciation & Amortisation of Non-Current Assets	10	32,308,300	8,070,450	7,747,055	323,395	(4)%
Loss on Asset Disposals	11	282,114	3,394	7,376	(3,982)	(100)%
Interest Expenses		384,877	92,339	92,471	(132)	0%
Insurance Expenses		1,430,948	832,526	848,306	(15,780)	2%
Total Operating Expenses		156,712,832	39,675,115	36,258,762	3,416,354	9%
(SURPLUS)/DEFICIT FROM OPERATIONS		9,203,145	(87,362,374)	(90,959,985)	3,597,612	4%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(32,308,300)	(8,070,450)	(7,747,055)	(323,395)	(4)%
Loss on Asset Disposal		(282,114)	(3,394)	(7,376)	3,982	100%
Profit on Asset Disposals		98,529	7,558	337,814	(330,256)	(100)%
Other Non-Current items						
Movement in Non-current Items	12	(100,000)	(100,000)	(153,510)	53,510	54%
OPERATING CASH (SURPLUS)/DEFICIT		(23,388,739)	(95,528,660)	(98,530,111)	3,001,452	3%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	13	(9,972,599)	(3,541,682)	(2,669,036)	(872,646)	(25)%
Capital Contributions	14	(730,000)	-	(2,818)	2,818	100%
Equity Distribution - TPRC		-	-	-	-	0%
Acquired Infrastructure Assets		-	-	-	-	0%
Other Non-Operating Revenue	15	(500,000)	-	(45,595)	45,595	(100)%
Total Non-Operating Revenue		(11,202,599)	(3,541,682)	(2,717,449)	(824,233)	100%
CAPITAL EXPENDITURE						
Capital Projects	16	1,752,599	382,961	441,166	(58,205)	(15)%
Capital Works	17	44,091,770	5,132,031	3,984,202	1,147,829	22%
Vehicle and Plant Replacements	18	2,567,500	179,500	28,064	151,436	84%
Total Capital Expenditure		48,411,869	5,694,492	4,453,432	1,241,060	22%
CAPITAL (SURPLUS)/DEFICIT		37,209,269	2,152,810	1,735,983	416,827	19%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		13,820,530	(93,375,850)	(96,794,128)	3,418,279	4%
FUNDING						
Proceeds from Disposal	19	(1,851,050)	(23,500)	(97,591)	74,091	315%
Loans - New Borrowings		-	-	-	-	0%
Loans - Repayment of Principal		2,445,662	628,733	628,733	-	0%
Transfer from Trust		(297,158)	-	-	-	0%
Transfer from Reserve		(26,602,761)	-	-	-	0%
Transfer to Reserve		24,795,823	-	-	-	0%
Transfer to Accumulated Surplus		-	-	-	-	0%
Opening Funds	20	(17,321,507)	(17,321,507)	-	(17,321,507)	(100)%
CLOSING FUNDS	21	(5,010,461)	(110,092,122)	(96,262,987)	(13,829,137)	(13)%

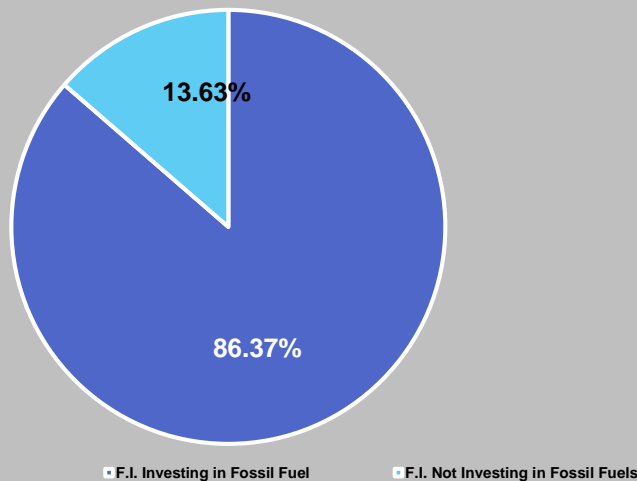


Municipal Funds	\$41,483,626	YTD Return	1.02%
Reserve Funds	\$80,551,374	Benchmark	0.75%
	<u>\$122,035,000</u>	RBA Rate	0.25%

Investment Policy Limits					
	LT Rating	Limit		LT Rating	Limit
Bank of Queensland	A-*	10%	NAB	AA-	25%
Bendigo	A-*	25%	Rural Bank	A-*	10%
Commonwealth Bank	AA-	10%	Suncorp	A+	15%
ING	A+	25%	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

Financial Institutions (FI) Investing Vs Not Investing in Fossil Fuels*



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

NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020 (Subject to finalisation of 2019/20 End of Year)

1. Grants and Subsidies (\$741,501)

This unfavourable timing variance arose due to advanced payments of Federal General Purpose (WALGGC) Grant (\$436,679) and Federal Road (FLRG) Grant (\$311,822) received in the previous financial year.

2. Contributions and Donations \$143,855

This favourable variance arose mainly from Other Miscellaneous Reimbursements – Waste Management Services \$145,549 following reimbursement from Cleanaway due to additional costs following the large fire at Cleanaway Materials Recovery Facility in Guildford in 2019/20.

3. Profit on Asset Disposal \$330,256

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 \$298,336 and a favourable timing variance for the disposal of replaced Vehicles, Plant and Equipment \$31,920.

4. Fees and Charges \$254,862

	YTD Budget	YTD Actual	Variance
a) Sports and Recreation	\$1,863,017	\$2,302,687	\$439,670
b) Building and Development	\$418,500	\$581,671	\$163,171
c) Refuse Charges	\$20,603,203	\$20,719,160	\$115,957
d) Inspection and Control fees	\$867,389	\$946,268	\$78,879
e) Fines & Penalties	\$391,856	\$127,767	(\$264,089)
f) Parking Fees	\$951,931	\$773,774	(\$178,157)
Other Fees & Charges	\$1,333,840	\$1,233,271	(\$100,569)
	<u>\$26,429,736</u>	<u>\$26,684,598</u>	<u>\$254,862</u>

a) Favourable variance arose from Learn to Swim Program of \$158,461, Craigie Membership Fees of \$83,664, Craigie Court Sport Revenue of \$66,923 and Craigie Admission Fees of \$71,325.

b) Favourable variance arose from Development Application Fees \$98,651 and Building Permits \$43,180.

c) Favourable variances arose from Waste Refuse Service Charges of \$63,054 and Additional Service Charge for 240L General Waste Bin of \$49,347.



- d) Favourable variances arose mainly from Environmental Health Inspection Fees \$74,623.
- e) Unfavourable variance arose mainly from Parking Infringements (\$244,255).
- f) Unfavourable variance arose from Multi Storey Car Park Parking Fees (\$84,890), On Street Parking Fees (\$55,506) and Off Street Parking Fees (\$42,040).

5. Interest Earnings \$194,848

A favourable timing variance arose from Interest on Investments \$194,644.

6. Other Revenue / Income \$17,934

This favourable variance arose predominately from higher than anticipated insurance contribution \$12,137 from the Local Government Insurance Scheme.

7. Employee Costs \$883,543

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$15,777,170	\$15,026,217	\$750,953
b) Other Employment Costs	\$768,315	\$635,725	\$132,590
	<u>\$16,545,485</u>	<u>\$15,661,942</u>	<u>\$,883,543</u>

- a) Favourable timing variances for Salaries and Wages arose from vacancies in various areas.
- b) Favourable timing variances arose from Staff Training \$70,988 and Conferences and Seminars \$42,771.

8. Materials and Contracts \$2,119,823

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$3,027,528	\$1,977,639	\$1,049,889
b) Contributions & Donations	\$491,175	\$287,936	\$203,239
c) Professional Fees & Costs	\$616,871	\$469,924	\$146,947
d) Travel, Vehicles & Plant	\$485,773	\$345,849	\$139,924
e) Public Relations, Advertising & Promotions	\$214,094	\$107,670	\$106,424
f) Administration	\$291,181	\$185,385	\$105,796
g) Waste Management Services	\$4,321,353	\$4,216,011	\$105,342
h) Books & Publications	\$250,242	\$156,614	\$93,628
Other Materials & Contracts	\$2,883,089	\$2,714,455	\$168,634
	<u>\$12,581,306</u>	<u>\$10,461,483</u>	<u>\$2,119,823</u>

- a) Favourable timing variances arose mainly from External Contractors and Services \$931,322, including, Application Services \$159,000, Marketing \$68,838, City Projects



\$63,000, Parks \$312,449, Roads \$192,729 and Natural Areas \$100,136. Favourable variance also arose from Programme Activities of \$81,622. The balances of variances are spread across a number of areas.

- b) Favourable variance arose from Grants and Contributions \$115,341, Sponsorship \$47,141 and Donations \$21,715. The balances of variances are spread across a number of areas.
- c) This favourable variance arose mainly from Lodgement Fees \$52,380, Legal Expenses \$28,293, Consultancy \$27,767 and Licence Searches of \$18,698. The balances of variances are spread across a number of areas.
- d) This favourable timing variance arose mainly from Fuel \$59,100, Parts & Repairs \$43,772 and Vehicle Servicing \$18,049. The balances of variances are spread across a number of areas.
- e) This favourable timing variance arose mainly from Catering \$28,123, Advertising \$26,671, Signage/Decals \$22,568 and Promotions \$17,514. The balances of variances are spread across a number of areas.
- f) Favourable timing variance arose mainly from Printing \$40,381, Sundry Admin Expenses \$27,260, Photography and Video Production \$14,672 and Photocopying \$10,290. The balances of variances are spread across a number of areas.
- g) This favourable variance arose mainly Recycling Processing \$185,253, partially offset by Recycling Collection & Transport Fees (\$50,273) and Processing Bulk Hard Waste (\$30,389).
- h) This favourable variance arose mainly from Subscriptions \$40,215, Book Purchases \$24,910 and Lost/Damaged Books \$20,117. The balances of variances are spread across a number of areas.

9. Utilities

\$109,486

Favourable timing variances arose from Electricity costs for Parks \$71,793, Buildings \$22,853 and Roads \$17,813.

10. Depreciation & Amortisation of Non-Current Assets

\$323,395

2019/20 asset values are being finalised as part of the end of year audit. The effect of this has not yet impacted upon the 2020/21 depreciation figures. A favourable variance arose mainly from Impairment of Assets \$361,768. The balances of variances are spread across a number of areas.

11. Loss on Asset Disposals

(\$3,982)

Unfavourable variance arose due to Loss on Asset Disposal for Fleet and Plant (\$3,982).

12. Movement in Non-Current Items**\$53,510**

This timing variance arose in respect of an increase in Non-current Long Service Leave Liability.

13. Capital Grants and Subsidies**(\$872,646)**

	YTD Budget	YTD Actual	Variance
a) State Government Grants Capital Direct Roads Grants	\$531,000	-	(\$531,000)
b) State Government Grants – Capital MRRG Roads Grant	\$1,017,699	\$784,619	(\$233,080)
c) Commonwealth Grants – Capital Roads to Recovery	\$726,000	\$635,196	(\$90,804)
d) State Government Grants – Capital Blackspot	\$59,334	-	(\$59,334)
e) Other Programs	\$1,207,650	\$1,249,221	\$41,571
	<u>\$3,541,682</u>	<u>\$2,669,036</u>	<u>(\$872,646)</u>

- a) Direct Grant claim has been submitted and payment is expected in the coming months.
- b) This unfavourable variance relates to 2020/21 MRRG Rehabilitation and Improvement Projects. The 1st 40% claims have been submitted with payment expected in the coming months. This is offset by \$30,987 received for Project Code RPR2957 Joondalup Dr City Boundary Westbound which was originally expected to be received in 2019/20.
- c) Unfavourable variance relates to Project Code RPR3131 Ballantine Rd \$90,804 which is expected to be received next quarter.
- d) Unfavourable variance arose on SBS2089 Hepburn Ave - Mitchell Fwy SB on South Bound Ramp \$53,334 as the project was not supported for grant funding. Unfavourable variances also related to final claim for SBS2086 Ocean Reef Rd & Eddystone Ave stage 1 \$6,000 which will be claimed in the coming months.

14. Capital Contributions**\$2,818**

This favourable variance arose from an unbudgeted contribution from the Western Australian Cricket Association for Cricket Infrastructure Renewal which relates to the 2019/2020 project.

15. Other non-operating revenue**\$45,595**

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

16 Capital Projects**(\$58,205)**

This unfavourable timing variance arose due to progress of Network Infrastructure Upgrade Program (\$283,406) with funds being carried forward from 2019/20 financial year. Partially offset by the timing of the IT Disaster Recovery Facilities \$69,000, Table and Chair Replacement at Craigie Leisure Centre \$65,000, Survey Total Station \$55,000 and Cafes/Restaurants/Kiosks \$54,703. The balances of variances are spread across a number of areas.


17. Capital Works
\$1,147,829

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Road Preservation/Resurfacing Program (RPR)	100	\$1,717,901	\$696,592	\$1,021,310	RPR3147 - \$154,433 RPR3131 - \$154,011 RPR3093 - \$105,365 RPR3142 - \$126,541
b) Streetscape Enhancement Program (SSE)	4	\$921,460	\$97,806	\$823,654	SSE2056 - \$827,300 BCW2611 - \$96,002
c) Major Building Capital Works Program (BCW)	16	\$590,000	\$446,549	\$143,451	BCW2636 - \$87,035
d) Blackspot Program (SBS)	5	\$168,600	\$51,863	\$116,737	SBS2089 - \$127,544
e) Major Projects Program (MPP)	9	\$376,000	\$314,547	\$61,453	MPP2026 - \$43,977
f) Parks Equipment Program (PEP)	42	\$243,500	\$184,739	\$58,761	PEP2707 - \$145,282
g) New Path Program (FPN)	15	\$257,570	\$514,418	(\$256,848)	FPN2240 - (\$198,965) FPN2130 - (\$19,965) FPN2198 - (\$15,400)
h) Foreshore Natural Area Program (FNM)	18	\$136,000	\$367,637	(\$231,637)	FNM2054 - (\$129,645) FNM2085 - (\$55,288)
i) Parks Development Program (PDP)	42	\$75,000	\$257,956	(\$182,956)	FNM2252 - (\$56,922) FNM2335 - (\$48,105)
j) Local Traffic Management Program (LTM)	9	\$20,000	\$175,126	(\$155,126)	FNM2148 - (\$120,519)
k) Major Road Construction Program (RDC)	8	\$10,000	\$156,140	(\$146,140)	RDC2003 - (\$59,473) RDC2020 - (\$55,677)
l) Street Lighting Program (STL)	19	\$448,000	\$547,800	(\$99,800)	STL2003 - (\$44,089) STL2090 - (\$39,269)
Other Programs	52	\$168,000	\$173,029	(\$5,030)	
	339	\$5,132,031	\$3,984,202	\$1,147,829	

- a) A favourable variance has occurred for September 2020 totalling \$1,021,309 and relates to a number of completed projects awaiting outstanding invoices including RPR3147 Mason Way \$154,433, RPR3093 Shenton/McLarty \$105,365, RPR2491 Joondalup Dr \$73,976, RPR3126 Joondalup Lakeside \$63,659, RPR3096 Channel Drv \$61,674, RPR3097 Lawley Court \$52,213, RPR3149 Austin Way \$35,538, RPR3089 Caledonia Ave \$30,757, RPR3082 Caledonia \$22,402, RPR3101 Garden Grove \$8,591, RPR3100 Parkland Close \$8,378 and RPR3099 Treetop \$6,165. Favourable variances also occurred on projects which have been slightly delayed until the end of October including; RPR3131 Ballantine Rd \$154,011, RPR3142 Treetop Ave \$126,541, RPR3047 Durak Way \$40,769, RPR3119 Tietkins Way \$19,138, RPR3117 Mararoa Court \$14,379 and RPR3118 BurBank Court \$12,434. RPR3085 Channel Dr is currently on track and has a favourable variance of \$61,617. These are offset by unfavourable variances on completed projects including RPR3078 Ridge Close (\$48,492), RPR3079 View Court (\$15,085) and RPR3095 Lakeside Dr (\$6,047).
- b) Favourable variance on the Streetscape Enhancement Program relates to SSE2056 City Centre Streetscape Renewal Program \$827,300 which is 35% complete and has been delayed with completion expected by the end of October.
- c) A favourable variance arose on BCW2611 Shepherds Bush Park Toilet \$96,002, BCW2636 Key West Toilet Replacement \$87,035, BCW2450 Environmental Initiatives \$40,000 and BCW2562 Ellersdale Park Clubroom Reurb \$10,226 which are currently in process and on track for completion. These were slightly offset by unfavourable variances relating to BCW22573 Short Life Services Replacement Program (\$39,554), BCW2567 Craigie Leisure Centre 50m Pool (\$35,518) and BCW2586 Whitfords Library & SCC Minor Works (\$20,801), and which are all currently in progress.
- d) A favourable variance arose from SBS2089 Hepburn Avenue – Mitchell Freeway \$127,544 which is completed and awaiting outstanding invoices.
- e) Major Projects have a favourable variance valuing \$61,453 relating to MPP2026 Works Operation Centre Extension \$43,977 and MPP2034 Joondalup Admin Building Major Refurb \$41,827 which are both currently in progress with 70% and 50% completion respectively.
- f) A favourable variance mainly relates to PEP2707 Whitfords Nodes Pk Health & Wellbeing Hub \$145,282 which is 53% completed. This is offset by an unfavourable variance on PEP2819 Ellersdale Park Cricket Renewal (\$38,840) which is completed. The balance is spread across a number of projects.
- g) An unfavourable variance relates to FPN2240 Burns Beach to Mindarie Dual Use Path (\$198,965) with carried forward funds from 2019/20 and the northern section now completed. An unfavourable variance relates to FPN2130 Wahroonga Way (\$19,965) carried forward from 2019/20 and the project completed.
- h) Foreshore & Natural Areas Management Program is experiencing an unfavourable variance due to projects progressing ahead of schedule; FNM2085 Craigie Open Space Bushland Path Renewals (\$55,288) and FNM2059 Bushland Reserve Fencing Program (\$14,041). Other unfavourable variances have occurred on projects which are completed including; FNM2090 Huntingdale Park Bushland Fencing (\$19,573), FNM2091 Manapouri Park Bushland Fencing (\$17,823) and

FNM2054 Whitfords Nodes Hillary's Lookout (\$129,645) which the carried forward from 2019/20.

- i) The unfavourable variance from September relates to a number of projects progressing ahead of schedule including; PDP2252 Tree Planting Program (\$56,922), PDP2335 Irrigation Smart Controller Renewals (\$48,105), PDP2279 Churton Park Irrigation Upgrades (\$28,932) and PDP2118 Moolanda Pk LMP (\$18,786).
- j) An unfavourable variance relates to LTM2148 Marmion/Readshaw Intersection Upgrade (\$120,519) which was carried forward from 2019/20 and the project is completed.
- k) An unfavourable variance relates to RDC2020 Warwick Rd (\$55,677), RDC2024 Shenton Avenue Upgrade DESIGN (\$24,934) and RDC2003 Bridges and Underpass (\$59,473) with a carried forward from 2019/20.
- l) An unfavourable variance relates to STL2003 Joondalup City Centre Lighting (\$44,089) with stage four 45% completed. An unfavourable variance relates to STL2084 Iluka Beach Pk (\$35,689) which was carried forward from 2019/20 and the project was completed at the end of July.

18. Vehicle and Plant Replacements

\$151,436

A favourable variance arose mainly in relation to capital acquisition of an Isuzu Truck \$125,000 and the acquisition of the Ryde Program Vehicle \$22,500

19. Proceeds from Disposal

\$74,091

The timing of the disposal of Fleet and Plant assets generated a favourable variance of \$74,091

20. Opening Funds

(\$17,321,507)

The variation in the closing funds for the period ended 30 June 2020 is prior to end of year adjustments being processed. The final balance will be available after the Financial Statements for 2019/20 have been audited.

21. Closing Funds

(\$13,829,137)

	June 2020 *	September 2020
Current Assets		
Cash and Investments		\$185,211,617
Rates Outstanding, Sundry Debtors and Other Receivables		\$52,661,817
Accrued Income		\$775,770
Prepayments		\$868,721
Inventories		\$143,316
Total Current Assets		\$239,661,241

Current Liabilities		
Trade Creditors		\$2,336,379
Sundry Payables		\$16,329,151
Accrued Expenses		\$3,584,419
Other Payables		\$342,650
Borrowings		\$1,816,927
Provision for Annual Leave		\$5,002,894
Provision for Long Service Leave		\$6,537,069
Provision for Purchased Leave		\$101,076
Provision for Workers Compensation Insurance		\$2,515,935
Provision for Sick Leave		\$1,132,602
Other Provisions		\$66,706
Total Current Liabilities		\$39,765,808
Net Current Assets		\$199,895,433
Add back: Borrowings		\$1,816,927
Less: Cash Backed Reserves		\$74,151,621
Less: Other Items (subject to finalisation of 2019/20 end of year)		\$31,297,752
Closing Funds – Surplus/(Deficit)		\$96,262,987

* Subject to finalisation of 2019/20 end of year