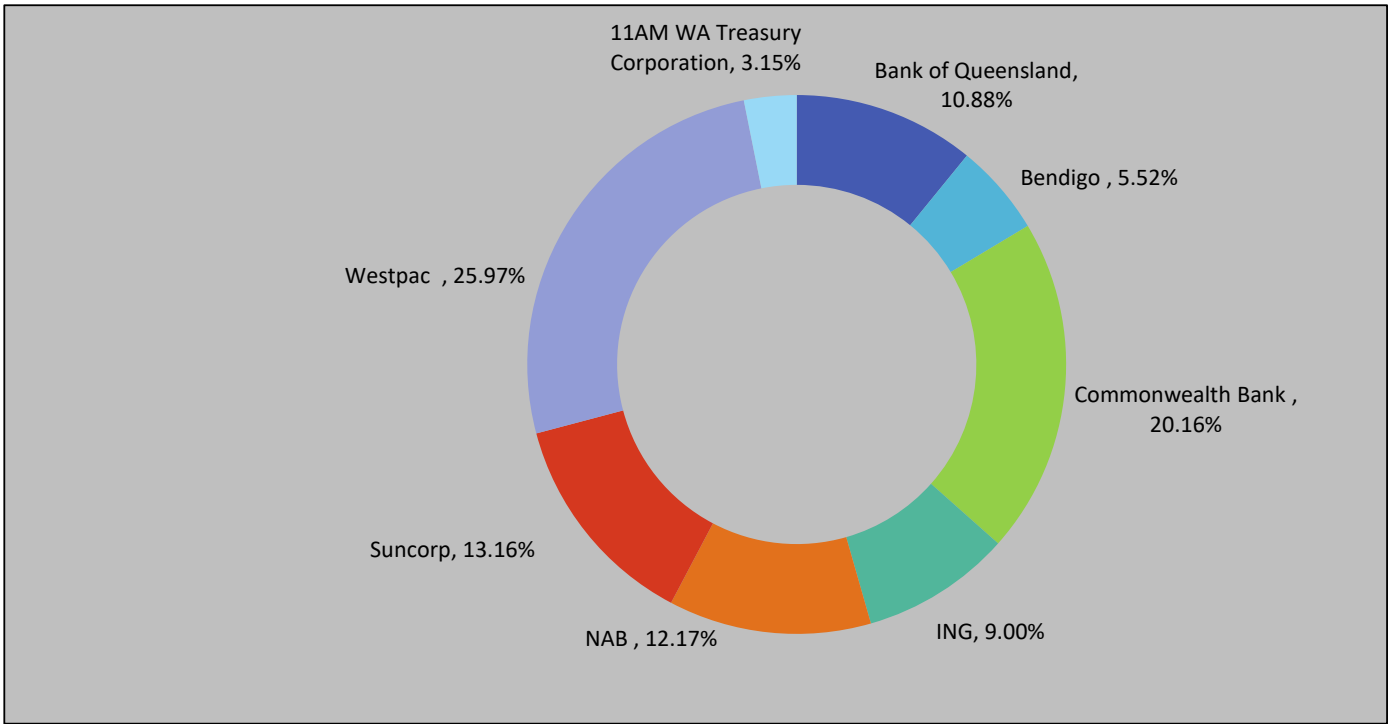


	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates		(104,755,668)	(104,755,668)	(104,794,946)	39,278	0%
Specified Area Rates		(730,291)	(730,291)	(729,171)	(1,120)	(0)%
Grants and Subsidies		(2,038,336)	(1,454,799)	(1,472,203)	17,404	1%
Contributions Reimbursements and Donations	1	(1,450,988)	(1,154,605)	(1,296,095)	141,490	12%
Profit on Asset Disposals	2	(117,783)	(104,178)	(156,088)	51,910	50%
Fees and Charges	3	(41,391,038)	(38,419,212)	(38,727,993)	308,781	1%
Interest Earnings	4	(5,714,076)	(4,892,315)	(5,265,836)	373,521	8%
Other Revenue/Income	5	(1,139,290)	(1,048,290)	(1,634,216)	585,926	56%
Total Operating Revenue		(157,337,472)	(152,559,358)	(154,076,548)	1,517,190	1%
OPERATING EXPENSES						
Employee Costs	6	68,419,553	56,225,161	55,233,003	992,158	2%
Materials and Contracts	7	56,177,718	46,381,615	41,690,692	4,690,923	10%
Utilities (gas, electricity, water etc.)		5,890,995	4,829,830	4,807,340	22,490	0%
Depreciation & Amortisation of Non-Current Assets	8	30,623,048	25,415,688	25,052,074	363,614	1%
Loss on Asset Disposals	9	137,379	83,644	29,081	54,563	65%
Interest Expenses		259,161	213,311	214,923	(1,612)	(1)%
Insurance Expenses		1,603,165	1,595,614	1,596,170	(556)	(0)%
Total Operating Expenses		163,111,020	134,744,863	128,623,282	6,121,580	5%
(SURPLUS)/DEFICIT FROM OPERATIONS		5,773,548	(17,814,495)	(25,453,266)	7,638,770	43%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(30,623,048)	(25,415,688)	(25,052,074)	(363,614)	(1)%
Loss on Asset Disposal		(137,379)	(83,644)	(29,081)	(54,563)	(65)%
Profit on Asset Disposals		117,783	104,178	156,088	(51,910)	(50)%
Movement in Non-current Items	10	(100,000)	(100,000)	13,394	(113,394)	(100)%
OPERATING CASH (SURPLUS)/DEFICIT		(24,969,096)	(43,309,648)	(50,364,940)	7,055,290	16%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	11	(10,983,164)	(7,843,051)	(11,292,281)	3,449,230	44%
Capital Contributions	12	(96,590)	(96,590)	(24,767)	(71,823)	(74)%
Equity Distribution - TPRC		(3,333,333)	(3,333,333)	(3,333,332)	(1)	(0)%
Other Non-Operating (GST Reimb TPRC Land Sales)	13	(188,477)	(188,477)	(314,629)	126,152	67%
Total Non-Operating Revenue		(14,601,564)	(11,461,451)	(14,965,009)	3,503,558	31%
CAPITAL EXPENDITURE						
Capital Projects	14	2,924,716	1,821,623	1,305,253	516,369	28%
Capital Works	15	45,623,370	31,341,693	28,881,789	2,459,904	8%
Vehicle and Plant Replacements	16	2,314,443	2,017,443	936,512	1,080,931	54%
Total Capital Expenditure		50,862,528	35,180,759	31,123,554	4,057,204	12%
CAPITAL (SURPLUS)/DEFICIT		36,260,964	23,719,308	16,158,545	7,560,762	32%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		11,291,868	(19,590,340)	(34,206,395)	14,616,052	75%
FUNDING						
Proceeds from Disposal	17	(520,955)	(313,955)	(372,000)	58,045	18%
Loans - Repayment of Principal		909,513	909,513	909,513	-	0%
Payments of Principal Portion of Lease Liability		492,769	375,556	375,556	-	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	18	17,898	(27,767,564)	(42,441,664)	14,674,098	53%

INVESTMENT SUMMARY

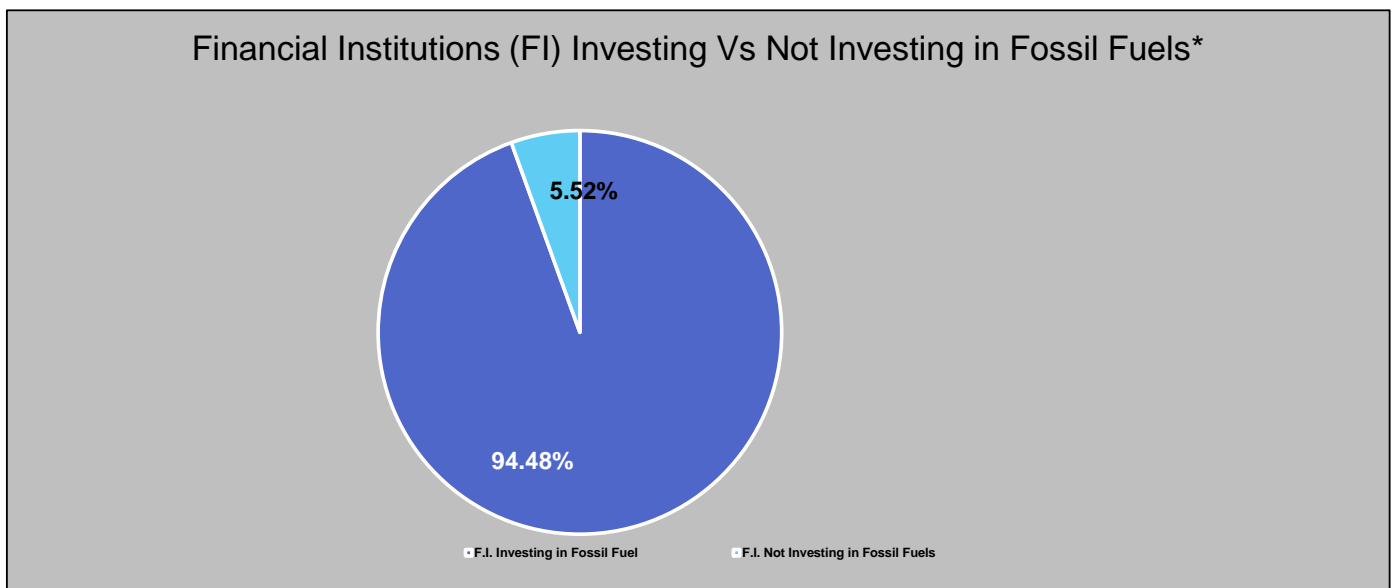
April-23



Municipal Funds	\$79,839,851	YTD Return	3.20%
Reserve Funds	\$88,670,817	Benchmark	4.10%
	<u>\$168,510,668</u>	RBA Rate	3.60%

<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 30 APRIL 2023

1. Contributions Reimbursements and Donations \$141,490

This favourable variance is mainly driven by higher than expected insurance contributions \$88,752, sponsorships \$84,000 and Other Miscellaneous Reimbursements \$57,612 mainly arising from fuel tax credits higher than estimated. This is partially offset by Legal Fees Recoverable (\$51,341) due to lower than estimated debt recovery activity.

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 \$308,781

	YTD Budget	YTD Actual	Variance
a) Sports and Recreation Fees	\$7,901,734	\$8,272,001	\$370,267
b) Refuse Charges	\$22,094,271	\$22,175,434	\$81,163
c) Parking Fees	\$2,739,462	\$2,657,495	(\$81,967)
d) Fines and Penalties	\$349,785	\$318,666	(\$31,119)
Other Fees and Charges	\$5,333,960	\$5,304,397	(\$29,563)
	\$38,419,212	\$38,727,993	\$308,781

a) Favourable variance arose from Admission Fees \$156,763, Park Hire \$82,991 and Membership Fees \$70,901

b) A favourable variance arose from New Standard Refuse Establishment Fee \$35,755 and Waste Refuse Service Charge \$31,460.

c) This unfavourable variance was mainly due to Multi Storey Car Park Monthly Fees (\$73,458) and On Street Parking Fees (\$34,971) continuing to remain below estimates.

d) This unfavourable variance arose from Dog Act Costs and Fines \$15,099 and Other Fines and Penalties (\$8,266).

4. Interest Earnings \$373,521

This favourable variance arose mainly due to higher than estimated Interest from Other Financial Institutions \$324,600 from the cumulative impact of interest rate rises in recent months.



5. Other Revenue/Income

\$585,926

This favourable variance arose due to Net Revenue arising from TPRC Catalina Estate Sales \$648,500, partially offset by lower rebates received (\$88,825).

6. Employee Costs

\$992,158

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$54,226,985	\$53,216,772	\$1,010,213
Other Employment Costs	\$1,998,175	\$2,016,231	(\$18,056)
	<u>\$56,225,161</u>	<u>\$55,233,003</u>	<u>\$992,158</u>

a) Favourable timing variances for Salaries and Wages arose primarily from the cumulative impact of vacancies in various areas.

7. Materials and Contracts

\$4,690,923

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$14,683,089	\$12,506,631	\$2,176,457
b) Professional Fees & Costs	\$2,305,373	\$1,431,247	\$874,126
c) Public Relations, Advertising and Promotions	\$1,083,468	\$720,267	\$363,201
d) Furniture, Equipment and Artworks	\$2,612,638	\$2,304,947	\$307,691
e) Contributions & Donations	\$1,639,521	\$1,381,893	\$257,628
f) Administration	\$981,218	\$831,216	\$150,002
g) Other Materials	\$2,296,074	\$2,153,795	\$142,279
h) Members Costs	\$684,021	\$585,050	\$98,971
i) Waste Management Services	\$13,631,320	\$13,561,340	\$69,980
j) Accommodation & Property	\$845,254	\$785,325	\$59,929
k) Travel Vehicles and Plant	\$1,583,612	\$1,528,707	\$54,906
Other Materials & Contracts	\$4,036,027	\$3,900,274	\$135,753
	<u>\$46,381,615</u>	<u>\$41,690,692</u>	<u>\$4,690,923</u>

a) Favourable variances arose from External Contractors and Services \$1,949,482, including Parks \$575,232, Core System Replacement \$291,161, Natural Areas \$222,478, Data Collection \$171,098, Asset Management Administration \$140,284 due to office fit outs, City Projects \$105,300, Marketing \$103,542, Waste Management Services \$89,667, Cultural Services \$88,317, City Amenity \$67,968 and Craigie Leisure Centre \$52,529. This is partially offset by an unfavourable variance for Building Maintenance Works (\$75,035) and Application Services (\$57,213). A favourable variance also occurred on Programme Activities \$105,515 mainly as a result from Economic Development \$85,683.

b) A favourable variance arose mainly due to Consultancy \$385,680, Research \$289,715 Legal Expenses Recoverable \$101,865 and Legal Expenses (\$62,041).

c) Favourable variance arose due to Advertising General \$116,242, Signage/Decals \$104,139 and Promotions \$84,872.

- d) This favourable variance arose from Plant & Equipment Purchase – Minor \$80,362, Plant & Equipment Maintenance & Repair \$73,057, Furniture and Office Equipment Purchase – Minor \$62,740 and Hire of Equipment \$53,871.
- e) Favourable variance arose from the Community Funding Program \$124,511 and Sponsorship \$60,820.
- f) Favourable variance arises from Printing \$57,279.
- g) Favourable variance occurred due to Ext.Material Purchases-Contract \$110,665.
- h) Favourable variance arose from Elected Members Conference and Training expenses \$56,282.
- i) Favourable variances were due mainly to Processing-Recycling & Govt Levy \$62,114 and Processing-Bulk Hard Waste \$52,863.
- j) This favourable variance arises from Security \$37,100 and Rental and Outgoings \$21,547.
- k) The favourable variance arises from Vehicle Servicing Costs \$41,303.

8. Depreciation & Amortisation of Non-Current Assets \$363,613

The favourable variance is mainly due to Impairment/Write off of assets \$497,160, partially offset by depreciation for open reserves (\$92,397). The balances of variances are spread across several areas.

9. Loss on Asset Disposals \$54,563

Favourable variance arose due to Loss on Asset Disposal for Fleet and Plant \$54,563.

10. Movement in Non-current items (\$113,394)

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

11. Capital Grants and Subsidies \$3,449,230

	YTD Budget	YTD Actual	Variance
a) State Government Grants - Capital - Other	\$1,725,151	\$3,375,151	\$1,650,000
b) State Government Grants – Capital – MRRG Grant Roads	\$1,586,648	\$3,030,895	\$1,444,247
c) Other Grants and Subsidies – Capital - Other	\$399,447	\$547,787	\$148,340
d) Commonwealth Grants & Subsidies Capital – Black spot	\$707,355	\$851,355	\$144,000

e) Commonwealth Grants – Capital	\$1,393,579	\$1,453,579	\$60,000
- Other			
Other Grants and Subsidies	\$2,030,871	\$2,033,514	\$2,643
	<u>\$7,843,051</u>	<u>\$11,292,281</u>	<u>\$3,449,230</u>

- a) The favourable variance relates primarily to RDC2031 Hepburn Ave - Lilburne to Walter Padbury \$1,150,000 due to grant funds received earlier than estimated and recognition of unspent grant income on the unbudgeted State Urban Bike Trail Grant \$300,000. Milestone payments received earlier than planned for FPN2299 Hillarys Cycle Network \$200,000.
- b) A favourable variance occurred on RDC2027 Joondalup Dr/Hodges Dr Intersection Upgrade \$1,130,170. A favourable variance mainly arose due to final claims received for RDC2021 Whitfords Ave/Northshore Dr Roundabout \$196,000 and RDC2020 Warwick Rd/Erindale Rd Intersection Upgrade \$180,000. This is partially offset by anticipated funds for various Road Rehabilitation Projects (\$61,923).
- c) Additional milestone payment received earlier than planned for FPN2298 Eddystone Ave Shared Path \$120,000 and final milestone received for STL2092 MacDonald Park Floodlighting \$28,340.
- d) Favourable variance relates to the final claim for SBS2090 Marmion Avenue and Cambria \$144,000 which was completed in March 2022.
- e) Variance relates to funds received for LRCI Phase 3 earlier than expected.

12. Capital Contributions

(\$71,823)

This unfavourable variance occurred due to the classification of insurance reimbursement from the Iluka Sports Complex Restoration Works as operating rather than non-operating.

13. Other Non-Operating Revenue

\$126,152

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

14. Capital Projects

\$516,369

This favourable variance mainly arose due to Network Infrastructure Upgrade Program \$112,364, CCTV Leisure Centre \$100,000, Craigie Leisure Centre Filter Refurbishment 25m and Spa \$73,425 and Cafes/Restaurants/Kiosks \$59,703. The balances of variances are spread across a number of projects.


15. Capital Works
\$2,459,904

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Road Preservation/Resurfacing Program (RPR)	100	\$6,100,348	\$5,613,144	\$487,204	RPR3276 - \$65,642
b) Parks Equipment Program (PEP)	36	\$2,361,200	\$1,875,406	\$485,794	PEP2707 - \$189,515
c) Major Road Construction Program (RDC)	11	\$1,931,847	\$1,526,104	\$405,743	RDC2025 - \$200,056
d) Parks Development Program (PDP)	17	\$2,709,847	\$2,366,694	\$343,153	PDP2355 - \$153,846
e) New Path Program (FPN)	12	\$478,758	\$225,599	\$253,159	FPN2298 - \$148,547
f) Major Projects Program (MPP)	6	\$7,892,418	\$7,732,162	\$160,256	MPP2050 - \$83,512
g) Foreshore and Natural Areas Management Program (FNM)	7	\$280,323	\$148,492	\$131,831	FNM2102 - \$65,000
h) Streetscape Enhancement Program (SSE)	4	\$1,341,361	\$1,238,058	\$103,303	SSE2055 - \$68,183
i) Blackspot Program (SBS)	8	\$449,085	\$363,197	\$85,888	SBS2093 - \$79,492
j) Street Lighting Program (STL)	12	\$1,048,199	\$995,013	\$53,186	STL2092 - \$23,847
k) Major Building Capital Works Program (BCW)	20	\$4,237,307	\$4,347,104	(\$109,797)	BCW2666 - (\$84,295)
Other Programs	34	\$2,511,000	\$2,450,817	\$60,183	
	267	\$31,341,693	\$28,881,789	\$2,459,904	



- a) Favourable variance is due to RPR3276 Warwick Rd - Erindale/Wanneroo \$65,642, RPR3270 Lambertia St \$64,950 and RPR3268 Melaleuca Dr \$56,245.
- b) Favourable variance relates to PEP2707 Whitfords Nodes Health & Wellbeing Hub \$189,515 currently in progress and recently completed PEP2644 Park Vehicle Entry Renewal \$73,012. PEP2853 BMX Track Upgrades \$122,153 is in progress but experiencing delays.
- c) A favourable variance arose mainly due to RDC2025 Whitfords Ave/Gibson Ave \$200,056 which is now in progress behind estimates. Additional variances include RDC2024 Shenton Ave Design \$59,527.
- d) Favourable Variance relates to delayed progress for PDP2355 Padbury N/E Cluster \$153,846 now due for completion in October and PDP2351 Clifford Coleman Amenity Upgrades \$133,011, now due in June. Additional variances include PDP2322 McCubbin Park Irrigation \$83,706 and PDP2343 Ocean Gate Bore Renewal \$61,065 which are both currently in progress.
- e) A favourable variance for two multi-year projects: FPN2298 Eddystone Ave Shared Path \$148,547 now in progress and FPN2299 Hillarys Cycle Network \$89,544 with less actuals than planned at this stage.
- f) Variance largely relates to MPP2050 Craigie Leisure Centre Refurbishment \$83,512 currently in progress.
- g) FNM2102 Duffy House Fencing now due for completion in June resulting in the favourable variance.
- h) Favourable variance relates SSE2055 Streetscape Renewal \$68,183 and SSE2057 Leafy City Program \$78,832 due to current project progress compared to estimates. This is partly offset by SSE2056 City Centre Streetscapes (\$39,031) currently in progress.
- i) SBS2093 Ocean Reef Rd & Gwendoline Dr has the variance of \$79,492 due to project progress compared to estimates.
- j) Favourable variances for projects STL2092 MacDonald Park Floodlighting \$23,847 and STL2115 Craigie PAWs Lighting \$23,293 which have been completed ahead of schedule.
- k) Unfavourable variance due to progress ahead of schedule on BCW2666 Craigie LC Geothermal Bore (\$84,295), BCW2540 Auto Door Access (\$73,855) and BCW2625 Ocean Reef Park T&C (\$56,969).

16. Vehicle and Plant Replacements

\$1,080,931

A favourable timing variance arose mainly in relation to capital acquisition of a tractor \$142,800, an Isuzu Truck \$110,000, a vertimower \$70,000 and a dual cab ute \$50,000.

17. Proceeds from Disposal

\$58,045

A favourable variance arose mainly due to timing of proceeds received from fleet asset disposals \$58,045.

18. **Closing Funds****\$14,674,098**

	June 2022	April 2023
Current Assets		
Cash and Investments	\$140,479,487	\$149,919,407
Rates Outstanding, Sundry Debtors and Other Receivables	\$4,979,660	\$9,065,530
Accrued Income	\$372,344	\$2,376,283
Prepayments	\$738,765	\$428,709
Inventories	\$708,427	\$148,619
Total Current Assets	\$147,278,683	\$161,938,548
Current Liabilities		
Trade Creditors	\$2,709,216	\$3,011,096
Sundry Payables	\$11,458,125	\$8,727,490
Accrued Expenses	\$4,266,327	\$3,915,582
Other Payables	-	-
Borrowings	\$909,513	-
Lease Liability	\$492,772	\$117,216
Provision for Annual Leave	\$4,588,626	\$4,456,992
Provision for Long Service Leave	\$6,425,430	\$6,683,413
Provision for Purchased Leave	\$208,657	\$156,446
Provision for Workers Compensation Insurance	\$3,137,004	\$4,126,737
Provision for Sick Leave	\$982,117	\$960,763
Other Provisions	\$9,415	\$9,415
Total Current Liabilities	\$35,187,202	\$32,165,151
Net Current Assets	\$112,091,481	\$129,773,398
Add back: Borrowings	\$909,513	-
Add back: Lease Liabilities	\$492,772	\$117,216
Add back: Contract Liabilities for developer contributions	\$1,221,867	\$1,221,867
Less: Cash Backed Reserves	\$105,567,295	\$88,670,817
Closing Funds – Surplus/(Deficit)	\$9,148,338	\$42,441,664