

City of Karratha

Variance Commentary

As at 31 January 2024

| Revenue -Operating Activities | Material Variance | | Timing / Permanent | | Significant Items |
|---|-------------------|-------------|--------------------|--------------------|---|
| Fees & Charges | - | 2,369,260 | 1,340,064 | Permanent | ▲ Waste Management - Increase in Commercial & Industrial, Construction & Demolition and Liquid Waste streams will be amended in Budget Review |
| | | | 448,016 | Permanent | ▲ Airport - Growth in passengers with 12% increase in Flights will be amended at Budget Review. |
| | | | 253,265 | Timing | ▲ Airport - Lagardere annual rent adjustment based on PAX/Sales \$238k occurred earlier than planned. |
| | | | 208,457 | Timing | ▲ Airport - Continuance of Virgin Freight building Lease and awaiting processing of journal \$80k to investments for Offshore Hangar |
| | | | 178,254 | Permanent | ▲ REAP - Increase in income due to high frequency of Venue Hire bookings will be updated at Budget Review |
| | | | (137,880) | Timing | ▼ Town Planning - Anticipate Development Fees not received |
| | | | 2,290,178 | | ▲ Net Positive Variance |
| Operating Grants, Subsidies & Contributions | - | (1,190,797) | (1,492,360) | Timing | ▼ Community Facilities - WCH and DCH - Rio funding yet to be allocated for Wickham Community Hub & Dampier Community Hub, addressed at Budget Review. |
| | | | 365,650 | Timing | ▲ Community Programs - Rio Program Partnership contributions for Red Earth Arts Festival, Cossack Art Awards, FeNaCing, Arts Development to be addressed at Budget Review. |
| | | | 157,380 | Permanent | ▲ Community Facilities - WRF- Rio funding received greater than budget for Wickham Recreational Facility addressed at Budget Review. |
| | | | (969,330) | | ▼ Net Negative Variance |
| Interest Earned | 21.35% | 612,599 | 620,586 | Permanent | ▲ General Revenue - Interest received exceeded expectations due to high interest rates and higher bank balance due to rates receipts and low capital expenditure |
| | | | 620,586 | | ▲ Net Positive Variance |
| Other Income | - | | 167,000 | Permanent & Timing | ▲ Fleet & Plant -Waste Management - Sale of Water Cart during the month and Loader will be disposed in March Auction. |
| | | | 71,500 | Timing | ▲ Fleet & Plant - Parks & Gardens - 3 x Light Vehicles Sales delayed, disposals will now happen at March Auction. |
| | | | (54,470) | Timing | ▼ Waste Service - Waste Management - There has been a delay in comencing Scrap Metal RFT |
| | | | 184,030 | | ▲ Net Positive Variance |
| Expenditure -Operating Activities | Material Variance | | Timing / Permanent | | Significant Items |
| Employee costs | 13.03% | (2,974,993) | (2,597,290) | Permanent | ▼ Timesheet allocation to overheads error has overstated employee costs. To be corrected in Feb/Mar. Issue has been flagged and steps to be taken to improve the interface using "out of parameter" warnings. |
| | | | (2,597,290) | | ▼ Net Negative Variance |
| Materials & Contracts | -12.77% | 2,480,111 | 736,730 | Timing | ▲ Operations - Footpaths & Road Reseals - works had been delayed, have since commenced and awaiting invoices to be submitted. |
| | | | 736,187 | Timing | ▲ Parks & Gardens - Karratha Open Spaces, Streetscapes, Cemetery Enhancement & Reticulation works delayed due to Aboriginal & Cultural Heritage (ACH) Restrictions and contractor availability. |
| | | | 600,000 | Timing | ▲ Operations - Coolawanyah & Dewitt Rd Intersection Reconstruction - works have been delayed. |
| | | | 577,220 | Timing | ▲ Karratha Airport - Delays to FIDS (Flight Information Display Screens) project (Jan-24), BHS (Baggage Handling System) Software project (4th quarter), security invoice processing and Airside Drain & Roadworks (May-24) |
| | | | 275,000 | Timing | ▲ Community Facilities - Delays in small infrastructure projects relating to new Equipment and Oval Lighting replacement at Karratha Leisureplex. |
| | | | (62,326) | Permanent | ▼ Building Maintenance - Karratha Youth Shed - Urgent works were required to address safety issue on basketball courts |
| | | | (183,876) | Permanent | ▼ Building Maintenance - Karratha Leisureplex - Expenditure due to significant investigative works for shade sails |
| | | | (191,325) | Permanent | ▼ Building Maintenance - Karratha Airport - Unforeseen reactive works to hydraulic and electrical services |
| | | | 2,487,612 | | ▲ Net Positive Variance |
| Utilities | - | (263,844) | (187,848) | Permanent | ▼ Parks & Gardens - Water usage higher than expected |
| | | | (187,848) | | ▼ Net Negative Variance |
| Depreciation | - | 1,668,176 | 1,668,176 | Timing | ▲ Depreciation - Timing adjustment depreciation allocations |
| | | | 1,668,176 | | ▲ Net Positive Variance |
| Insurance Expenses | - | 177,297 | 210,258 | Timing | ▲ Insurance - Timing adjustment insurance allocations. Invoices less than anticipated for performance based adjustments will be adjusted at budget review. |
| | | | 210,258 | | ▲ Net Positive Variance |
| Other Expenses | -18.11% | 260,110 | 203,038 | Timing | ▲ City Growth - Economic Development Grant - KDCCI 2023/24 grant not yet being paid as awaiting acquittal of 2022/23 grant; Various other grants being approved but not yet fully acquitted and paid out. |
| | | | 96,462 | Timing | ▲ Engagement & Partnerships - Community Grants - Timing with Large Grants to be awarded in April |
| | | | 299,501 | | ▲ Net Positive Variance |
| Inflows - Investing Activities | Material Variance | | Timing / Permanent | | Significant Items |
| Non Operating Grants, Subsidies & Contributions | -16.17% | (453,564) | (394,245) | Timing | ▼ Operations - Footpath & Kerb Maintenance grant not yet received |
| | | | (394,245) | | ▼ Net Positive Variance |
| Proceeds From Disposal of Assets | - | - | (274,955) | Timing | ▼ Proceeds on Asset Disposal - Waste Management and Parks & Gardens - Vehicles awaiting acution to realise assets, expected Mar-2024 |
| | | | (274,955) | | ▼ Net Negative Variance |

| Outflows - Investing Activities | Material Variance | | Timing / Permanent | | Significant Items |
|--|-------------------|---|--------------------|--------|---|
| Purchase of Assets - Buildings | - | - | 577,220 | Timing | ▲ Karratha Airport - works delayed due to commence 22.1.24 |
| | | | 301,201 | Timing | ▲ Lot 7020 Development - Contract awarded, pending design documentation milestone |
| | | | 132,129 | Timing | ▲ Kevin Richards Club Room - Project delayed due to contractor delivery and defective work |
| | | | 76,199 | Timing | ▲ Hancock Way Housing Construction - Project delays |
| | | | 57,503 | Timing | ▲ Karratha Leisureplex - works delayed due to materials availability |
| | | | 1,144,252 | | ▲ Net Positive Variance |
| Purchase of Assets - Equipment | - | - | 461,769 | Timing | ▲ Karratha Airport - An accrual journal was processed in FY22/23 to recognise the balance of the Carpark Equipment project, and this credit will be offset against future invoices once practical completion is achieved. |
| | | | 461,769 | | ▲ Net Positive Variance |
| Purchase of Assets - Furniture & Equipment | - | - | 935,120 | Timing | ▲ Information Technology Hardware Refresh - Procurement delays for hardware and CCTV |
| | | | 175,000 | Timing | ▲ Community Facilities - KLP - Karratha Leisureplex project delayed until April due to contractor availability. |
| | | | 1,110,120 | | ▲ Net Positive Variance |
| Purchase of Assets - Plant | - | - | 187,036 | Timing | ▲ Parks & Gardens - Delays in Purchases |
| | | | 160,000 | Timing | ▲ Tech Services - Delays in procurement of replacement plant. |
| | | | 65,085 | Timing | ▲ Community Facilities - KLP - Karratha Leisureplex project delayed until April due to contractor availability. |
| | | | 412,122 | | ▲ Net Positive Variance |
| Purchase of Assets - Infrastructure | - | - | 1,849,980 | Timing | ▲ Footpaths, Stormwater & Road Reseals - works had been delayed, have since commenced and awaiting invoices to be submitted. |
| | | | 487,110 | Timing | ▲ Parks & Gardens - Cemetery, Streetscapes, Wickham Oval & Reticulation works delayed due to Aboriginal & Cultural Heritage (ACH) Restrictions |
| | | | 339,192 | Timing | ▲ KLP Oval & Outdoor Courts - Lighting for cricket oval and shading for outdoor courts delayed |
| | | | 149,205 | Timing | ▲ CBD Bus Shelters - Project delays |
| | | | 83,650 | Timing | ▲ Millars Well Oval - Redevelopment Project delay |
| | | | 2,909,137 | | ▲ Net Positive Variance |
| Outflows - Financing Activities | Material Variance | | Timing / Permanent | | Significant Items |
| Tsf to Partnership Reserve | - | - | 4,799,320 | Timing | ▲ Partnership Reserve - Allocations adjusted based on updated reserve balances \$4M received from RIO to be transferred |
| | | | 4,799,320 | | ▲ Net Positive Variance |