

City of Karratha

Variance Commentary

As at 31 March 2024

Revenue - Operating Activities		Explanation of Variances	
Amount		Timing	Permanent
662,941	▲		Waste Management - Higher than anticipated income from Contaminated Waste.
489,914	▲		Airport - Growth in passengers has led to an increase in revenue.
215,208	▲		General Revenue - Interest received exceeded expectations due to high interest rates and higher bank balance due to rates receipts and low capital expenditure.
153,214	▲		REAP - Increase in income due to higher rates of venue hires and live shows and movies.
151,000	▲	Fleet & Plant - Parks & Gardens -Original auction was online 'live', which does not typically return a good result. Opted for the in person auction in Karratha, occurring at end of April	
133,411	▲		Waste Service - Waste Management - Higher than anticipated income on Scrap Metal.
99,237	▲	Airport - St Johns Ambulance annual lease billed one month earlier than originally budgeted.	Airport - CPI increases higher than anticipated.
89,684	▲		Karratha Leisure Plex - Increase in income due to higher attendance rate.
87,000	▲	Fleet & Plant -Waste Management - Auction being held in Perth in May. The auctioneers postponed the original auction due to insufficient stock available for sale	
2,081,609	▲	Positive Variances	
(59,149)	▼	Building Services - Decline in revenue due to declining applications being received. The cost of materials contribute to the decline in private building improvement applications being received coupled with decline in large scale building projects.	
(59,149)	▼	Negative Variances	
2,022,460	▲	Net Positive Variances Attributable to Material Items	

Expenditure - Operating Activities		Explanation of Variances	
Amount		Timing	Permanent
736,816	▲	Infrastructure Projects - Stormwater Structure Project Cossack Rd - Project delayed due to finalising installation design and priorities	
1,070,660	▲		Anticipated depreciation on assets yet to be capitalised still to occur due to project completion delays. To be rectified by EOFY
580,000	▲	Operations - Bathgate Road & Delambre Drive, Nickol Shared Footpath - Community Planning - Project delayed to finalising installation design.	
346,594	▲	City Growth - Variance is due to: KDCCI 2023/24 grant pending awaiting acquittal of 2022/23 grant; Developing Northern Australia Conference - Payment has not yet been made; Various other grants being approved but not yet fully acquitted and paid out.	
261,130	▲	Karratha Airport - Engagment of Consultant to undertake Cabling Report yet to be initiated; Works on Airside drains and roads delayed commencement date	
228,288	▲		Fleet & Plant - Fuel price fluctuation less than budgeted; Fuel usage less than forecast.
218,367	▲	Parks & Gardens - Karratha Open Spaces, Streetscapes, Cemetery Enhancement & Reticulation works delayed due to Aboriginal & Cultural Heritage (ACH) Restrictions and contractor availability.	

195,802	▲	Infrastructure Projects - Dampier Stage 7 footpath - Contract awarded, payment pending construction milestone.	
152,317	▲	Strategic Projects & Infrastructure - Lot7020 Development - Contract awarded, payment pending design documentation milestone.	
134,198	▲	Karratha Leisureplex - Capital Building Projects - Works Delayed due to material and contractor availability.	
83,200	▲	Strategic Projects & Infrastructure - Millars Well Oval (Krho) Redevelopment - Contract awarded, payment pending design documentation milestone.	
77,803	▲	Depot Services - Continued delay in Invoice and/or execution of work underway due to contractor/parts availability. In schedule for April 2024.	
4,085,175	▲	Positive Variances	
(2,628,289)	▼		Variance is due to improved employee retention and overall reduction in vacant positions.
(115,252)	▼		Community Facilities - Karratha Golf Course - Water usage higher than expected.
(84,384)	▼	Infrastructure Services - Street Lights - Electricity accounts for February and March costed in the same month.	
(78,953)	▼		Karratha Airport - Reactive works to replace Body Scanner Equipment.
(69,520)	▼		Karratha Airport - Unforeseen reactive works to hydraulic and electrical services.
(2,976,398)	▼	Negative Variances	
1,108,778	▲	Net Positive Variances Attributable to Material Items	

Inflows - Investing Activities		Explanation of Variances	
Amount		Timing	Permanent
833,600	▲	Operations - Road Maintenance - Grants received before budgeted.	
833,600	▲	Positive Variances	
0	▼	Negative Variances	
833,600	▲	Net Positive Variances Attributable to Material Items	

Outflows - Investing Activities		Explanation of Variances	
Amount		Timing	Permanent
134,198	▲	Karratha Leisureplex - Capital Building Projects - Works Delayed due to material and contractor availability.	
111,878	▲	Information Technology Hardware Refresh - Procurement delays for hardware.	
246,747	▲	Community Facilities - Karratha Leisureplex project delayed until April due to contractor availability.	
736,816	▲	Infrastructure Projects - Stormwater Structure Project Cossack Rd - Project delayed due to finalising installation design and priorities	
580,000	▲	Operations - Bathgate Road & Delambre Drive, Nickol Shared Footpath - Community Planning - Project delayed to finalising installation design.	
83,200	▲	Strategic Projects & Infrastructure - Millars Well Oval (Krho) Redevelopment - Contract awarded, payment pending design documentation milestone.	
195,802	▲	Infrastructure Projects - Dampier Stage 7 footpath - Contract awarded, payment pending construction milestone.	
200,000	▲	The Quarter - BMW Tenancy Creation, walls and doors - Not yet started.	
2,288,641	▲	Positive Variances	
(102,964)	▼	Parks & Gardens - Purchase of 2 New Vehicles bought forward.	
(102,964)	▼	Negative Variances	
2,185,677	▲	Net Positive Variances Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances	
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Amount		Timing	Permanent
4,207,436	▲	Partnership Reserve - Allocations adjusted based on updated reserve balances. \$4M received from RTIO to be transferred from Municipal funds to Partnership Reserve	
4,207,436	▲	Positive Variances	
0	▼	Negative Variances	
4,207,436	▲	Net Positive Variances Attributable to Material Items	