

City of Karratha

Variance Commentary

As at 31 August 2024

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,642,825	▲	Fees & Charges		Waste Management - Higher than anticipated income from contaminated and liquid waste disposal.
820,413	▲	Rates		Rates - First time rating of Perdaman, increase in Strategic Industry property valuations on the Burrup.
293,973	▲	Interest	Interest Rates remain higher than expected and investment amounts are also higher than expected.	
250,926	▲	Operating Grants	Financial Services - Income received in advance - FAGS (Financial Assistance Grant Scheme)	
170,065	▲	Fees & Charges		Airport - Growth in passenger numbers has led to an increase in revenue.
152,475	▲	Operating Grants		Community programs - FeNaCING - Received more revenue than expected through stallholders and sponsors.
89,579	▲	Fees & Charges	Community Facilities - Lease Income - Timing adjustment end of year accrual journals	
58,219	▲	Fees & Charges		Karratha Leisureplex - Increase in income due to higher attendance rate.
3,478,475	▲		Positive Variances	
(2,787,380)	▼	Operating Grants	Community Facilities - WRP Rio Contribution not yet received.	
(2,787,380)	▼		Negative Variances	
691,095	▲		Net Positive Variance Attributable to Material Items	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,326,311	▲	Employee Costs	Employment Costs - Relates to prior year accruals - to be adjusted at budget review	
301,911	▲	Materials & Contractors	Information Services - IT Software prepayments to be expensed throughout the year.	
276,498	▲	Materials & Contractors	General Waste and Recycling Collection - July invoice yet to be received.	
273,909	▲	Materials & Contractors	Karratha Airport - Awaiting processing of invoice for security screening & front of house services for July 2024.	
266,343	▲	Materials & Contractors	Sanitation - KLP, REAP & KTA - July & August Invoices not yet received for processing.	
265,748	▲	Materials & Contractors	Waste Service - 7 Mile Road Maintenance - Internal roads upgrade works not yet started.	
220,000	▲	Materials & Contractors	City Growth - Economic Development Initiatives - Three new projects (Visitor Services Review, Destination Management Plan Review & Major Event Plan) approved by council at the June 2024 OCM.	
178,000	▲	Utilities	The Quarter Hotel - Annual Water Rates have been budgeted incorrectly. Belongs to The Quarter HQ and will be amended at budget review.	
167,730	▲	Depreciation		Depreciation - budget based on fixed inflation amount, to be updated at budget review
110,000	▲	Depreciation		Depreciation for The Quarter not applicable. To be corrected at budget review
92,586	▲	Materials & Contractors	ERP Project Office - Annual subscription prepayments to be expensed throughout the year.	
91,143	▲	Utilities	Karratha Airport- Electricity charges, invoices not yet received.	
75,190	▲	Utilities	Depot Services - Street Lights - invoices not yet received.	
57,313	▲	Other Expenses	Financial Services - ESL - 24/25 invoice not yet received	
3,702,681	▲		Positive Variances	
(56,484)	▼	Materials & Contractors		Parks & Gardens - WRP - Completed remedial works on soccer oval turf to ensure it remains playable.
(56,484)	▼		Negative Variances	
3,646,197	▲		Net Positive Variance Attributable to Material Items	

Inflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,196,108	▲	Non Operating Grants	Strategic Projects & Infrastructure - Road Maintenance - Grants received before budgeted.	

209,102	▲	Non Operating Grants	Technical Services - Road Maintenance - Coolawanyah & Dewitt Road Intersection Reconstruction - Phase 4 Part B Funding - First Instalment received earlier than anticipated.
1,405,210	▲		Positive Variances
0	▼		Negative Variances
1,405,210	▲		Net Positive Variance Attributable to Material Items

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,008,000	▲	Infrastructure	Strategic Projects & Infrastructure - Roebourne Streetscape Master Plan - Contract awarded, payment pending construction milestone.	
719,275	▲	Infrastructure	Strategic Projects & Infrastructure - Hillview Balmoral Upgrade - works delayed but ongoing. Awaiting next construction milestone.	
700,000	▲	Infrastructure	Technical Services - Coolawanyah & Dewitt Road Intersection Reconstruction - Construction has been delayed. Contract Award is anticipated at August Council Meeting	
687,490	▲	Infrastructure	Technical Services - Stormwater Structure Projects - Cossack Road works commenced behind schedule. Progress claim delayed	
500,000	▲	Work in Progress Infrastructure	Technical Services - King Bay Road Culvert Replacement - Construction works at King Bay Road commenced September. Progress claim delayed.	
450,000	▲	Buildings	Strategic Projects & Infrastructure - Hancock Way - 6 Houses Construction - Contract awarded, payment pending construction milestone.	
210,000	▲	Plant	Parks & Gardens - Fleet - Purchase of two Trucks has been delayed.	
205,000	▲	Plant	Sanitation - Fleet - Skid steer replacement has been delayed	
175,000	▲	Infrastructure	Strategic Projects & Infrastructure - Saylor Park - Wickham Public Accessible Amenity - Contract awarded, payment pending construction milestone.	
150,000	▲	Plant	Karratha Airport - Fleet - Loader replacement has been delayed.	
150,000	▲	Infrastructure	Strategic Projects & Infrastructure - Oval General Equipment - Community Storage Sheds contract awarded, payment pending construction milestone.	
137,850	▲	Infrastructure	Parks & Gardens - Effluent Reuse System (ERS) - Delays to works progressing as contractors focus on other City projects.	
105,000	▲	Work in Progress Infrastructure	Sanitation - Purchase of 3 Tonne Tip Truck has been delayed.	
100,000	▲	Infrastructure	Parks & Gardens - Streetscape Enhancement - Delays to commencement of works, which have started now and invoices expected next month.	
71,023	▲	Work in Progress Infrastructure	Operations - Woodbrook Road - Gravel Resheeting - Program delayed, now started - ongoing.	
60,000	▲	Plant	Waste Services - Purchase of a generator for Landfill Gas Flare has been delayed.	
58,000	▲	Work in Progress Infrastructure	Governance - Vehicle purchase, request for quote has been sent out, awaiting responses.	
55,000	▲	Plant	Technical Services - Fleet - Workshop vehicle request for quote has been sent out, awaiting responses.	
55,000	▲	Plant	Engagement & Partnerships - Vehicle purchase, request for quote has been sent out, awaiting responses.	
5,596,638	▲		Positive Variances	
(239,940)	▼	Buildings	Building Maintenance - Karratha Airport - Ceiling Rectification works completed. Commitment from 23/24 Financial Year.	
(239,940)	▼		Negative Variances	
5,356,698	▲		Net Positive Variance Attributable to Material Items	

Outflows - Financing Activities			Explanation of Variances	
Amount		Nature	Timing	Permanent
1,946,879	▲	Reserves	Reserves - CFwd Budget Reserve. No transfer required - carry forward from a prior year which will be cleared by October.	
1,946,879	▲		Positive Variances	
(354,534)	▼	Reserves	Transfer to Reserves - Interest earned for August processed in September.	
(354,534)	▼		Negative Variances	

1,592,345	▲	Net Positive Variance Attributable to Material Items
-----------	---	--