

City of Karratha

Variance Commentary As at 31 October 2024

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
3,104,861	▲	Fees & Charges		Waste Management - Higher than anticipated income from contaminated and liquid waste disposal.
2,103,174	▲	Rates		Rates - First time rating of Perdanman, increase in Strategic Industry property valuations on the Burrup.
1,069,113	▲	Interest		Interest Income exceeds previous estimates. Corrected at budget review
1,045,207	▲	Operating Grants	Infrastructure Projects - Funding contribution received for Roebourne Streetscape Master Plan (Construction), road and footpath maintenance before budgeted.	
390,570	▲	Fees & Charges		Airport - Growth in passenger numbers, increased flights and deployment of larger aircraft has led to an increase in revenue. Will be corrected at budget review.
242,940	▲	Fees & Charges		Karratha Leisureplex - Increase in income due to higher attendance rate and swimming lesson enrolments received.
63,937	▲	Fees & Charges		Airport - Increased passenger numbers are having a positive impact on car park revenue.
8,019,802	▲		Positive Variances	
0	▼		Negative Variances	
8,019,802	▲		Net Positive Variance Attributable to Material Items	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
867,402	▲	Employee Costs	Employment Costs - Relates to prior year accruals - to be adjusted at budget review	
455,834	▲	Depreciation		Depreciation - budget based on fixed inflation amount and updated asset register, to be updated at budget review.
263,810	▲	Materials & Contractors	Information Services - IT Software prepayments to be expensed throughout the year.	
229,192	▲	Materials & Contractors	Technical Services - Weymul Crossing - Geotechnical Investigations and Feasibility Study contract awarded awaiting project milestone.	
208,684	▲	Materials & Contractors	Waste Service - 7 Mile Road Maintenance - Internal roads upgrade works and maintenance not yet started.	
203,708	▲	Materials & Contractors	ERP Project Office - Annual subscription prepayments to be expensed throughout the year.	
200,436	▲	Materials & Contractors	City Growth - Variance is comprised of and due to: - Visitor Services Review: Project underway, vendor selected in September. - Destination Management Plan: Project underway after a delay. - Major Event Plan: Project delayed. POAP subject to approval by EMT. - PKUC sponsorship: Sponsorship awarded in August. - RDA Designated Area Migration Agreement (DAMA): Requisition approved in October - Housing projects (\$5,000): This was an estimated need, not yet required.	
178,078	▲	Materials & Contractors	Approvals & Compliance - Looking to engage planning consultant to assist in progressing priority strategic planning projects	
144,329	▲	Materials & Contractors	Operations - Boat Ramp Maintenance - Project commencement delayed.	
178,000	▲	Utilities	The Quarter Hotel - Rates relating to The Quarter Investment Property, allocated to incorrect account, offset in Other Expenditure	
135,218	▲	Materials & Contractors	General Waste and Recycling Collection - October waste collection invoice not received, adjust budget timing at November review to reflect invoice timing.	
278,906	▲	Materials & Contractors	Building Maintenance - Wickham Recreation Facility - Project works not going ahead, budget to be handed back at November review.	
129,000	▲	Materials & Contractors	Engagement & Partnerships - Community Development - Project commencement delayed. Expected in Jan 2025.	
125,000	▲	Materials & Contractors	Parks & Gardens - Point Samson Dune Protection & Walkways - Delays due to ACH approvals for works	
119,432	▲	Materials & Contractors	Sanitation - Delays in October invoices being received.	

117,779	▲	Materials & Contractors	Parks & Gardens - Street Tree Maintenance - Delays to invoices for Street Tree Pruning Program	
110,000	▲	Materials & Contractors	Waste Services - Cyclone Green Waste Collection - delays in invoice being received.	
100,000	▲	Materials & Contractors	Operations - Unsealed Rural Road Maintenance - Wittenoom Road survey completed late September, awaiting testing results.	
97,731	▲	Materials & Contractors		Depot Services - Fuel - Better utilisation practice at 7 Mile Waste has realised lower usage than forecast. Slightly below average unit price for Diesel has contributed to lower than forecast monthly spend YTD.
89,339	▲	Utilities	Karratha Airport - Electricity charges, invoices not yet received.	
83,000	▲	Materials & Contractors	Operations - Footpath & Kerb Maintenance - Project Commencement delayed.	
80,000	▲	Materials & Contractors	Operations - Dampier Drainage Scheme Maintenance - Delays due to ACH approvals for works.	
71,612	▲	Utilities	Depot Services - Street Lights - invoices not yet received.	
64,199	▲	Materials & Contractors	Infrastructure Projects - Wickham Boat Beach Jetty - Pending Consultant procurement and engagement.	
63,231	▲	Materials & Contractors	Building Maintenance - Staff Housing Improvements - Rescheduled timing planned maintenance, works delayed due to expired RFT/RFQ. Awaiting some invoices.	
60,883	▲	Materials & Contractors	Waste Services - Wickham Transfer - Bida contract - delay in invoices being received.	
4,654,803	▲		Positive Variances	
(109,312)	▼	Materials & Contractors		Parks & Gardens - Bulgarra Oval - Repair works post Fenacle recovery to the turf.
(127,881)	▼	Materials & Contractors		Karratha Airport - Building Maintenance - Increase in reactive maintenance.
(1,733,467)	▼	Insurance	Insurance - 2nd instalment processed earlier than anticipated. Budgeted for in November	
(1,970,660)	▼		Negative Variances	
2,684,142	▲		Net Positive Variance Attributable to Material Items	

Inflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
0	▲		Positive Variances	
(584,132)	▼	Non Operating Grants	Strategic Projects & Infrastructure - Coolawanyah & Dewitt Road Intersection Reconstruction - LRCIP Phase 4 Part A grant income. Part B to be adjusted at budget review.	
(584,132)	▼		Negative Variances	
(584,132)	▼		Net Negative Variance Attributable to Material Items	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
2,340,240	▲	Infrastructure	Strategic Projects & Infrastructure - Roebourne Streetscape Master Plan - Contract awarded, program delayed until April 2025.	
1,250,000	▲	Buildings	Strategic Projects & Infrastructure - Hancock Way - 6 Houses Construction - Contract awarded, payment pending construction milestone.	
1,123,926	▲	Infrastructure	Technical Services - Coolawanyah & Dewitt Road Intersection Reconstruction - Construction has been delayed.	
615,519	▲	Infrastructure	Operations - Road Reseal Program - Ongoing. Contractor behind due to start on the 11th November	
556,079	▲	Infrastructure	Strategic Projects & Infrastructure - Kevin Richard Memorial Oval (KRMO) - Oval Playing Surface Lighting and Pole Upgrade - Contract awarded, payment pending construction milestone.	
463,765	▲	Infrastructure	Parks & Gardens - Effluent Reuse System (ERS) - Delays to works progressing. Purchase orders raised for Stages 2 & 3.	
400,000	▲	Infrastructure	Strategic Projects & Infrastructure - Oval General Equipment - Community Storage Sheds contract awarded, payment pending construction milestone.	
400,000	▲	Infrastructure	Parks & Gardens - Cemetery Enhancement - Delays to commencement of works. Request for Tender is now released.	
300,000	▲	Furniture & Equipment	Community Facilities - Karratha Leisureplex projects delayed due to contractor availability.	
288,858	▲	Infrastructure	Strategic Projects & Infrastructure - KLP Outdoor Court Shading - Contract awarded, payment pending construction milestone.	

285,000	▲	Plant	Karratha Airport - Fleet - Loader replacement has been delayed.	
263,039	▲	Work in Progress Infrastructure	Technical Services - King Bay Road Culvert Replacement - Construction works at King Bay Road commenced September. Progress claim delayed.	
250,000	▲	Infrastructure	Operations - Kerb Renewals - Contractor delays ongoing.	
225,000	▲	Infrastructure	Strategic Projects & Infrastructure - Saylor Park - Wickham Public Accessible Amenity - Contract awarded, payment pending construction milestone.	
205,000	▲	Plant	Sanitation - Fleet - Skid steer replacement has been delayed	
200,000	▲	Infrastructure	Parks & Gardens - Streetscape Enhancement - Delays to commencement of works.	
131,359	▲	Plant	Waste Services - Purchase of a generator for Landfill Gas Flare has been delayed.	
125,000	▲	Plant	Parks & Gardens - Fleet - Purchase of two Trucks has been delayed.	
105,000	▲	Work in Progress Equipment	Sanitation - Purchase of 3 Tonne Tip Truck has been delayed.	
94,940	▲	Infrastructure	Strategic Projects & Infrastructure - Hillview Balmoral Upgrade - works delayed but ongoing. Awaiting next construction milestone.	
80,000	▲	Equipment	Strategic Projects & Infrastructure - Hampton Oval Exercise Equipment - Program delayed. Contract award pending.	
74,000	▲	Infrastructure	Waste Services - Capital Infrastructure - Landfill Fencing - Delay in Vendor invoicing to be processed in November.	
58,000	▲	Work in Progress Equipment	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.	
9,944,725	▲		Positive Variances	
(27,972)	▼	Investment Property		The Quarter BMS upgrade transferred from operational account, variance not material
(65,392)	▼	Land		Building Maintenance - KTA Admin Building - Project Works brought forward.
(147,099)	▼	Equipment		Karratha Airport - The final payment for car park equipment and purchase of an ETD machine, which was accrued in FY23/24. Will be adjusted at mid year budget review.
(193,256)	▼	Furniture & Equipment	Information Technology - Hardware - Purchase of Laptops, Monitors and accessories bought forward.	
(433,720)	▼		Negative Variances	
9,511,006	▲		Net Positive Variance Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
(1,353,720)	▼	Reserves	Transfer to Reserves - The new Reserve process doesn't account for transfers as they're applied directly to the reserve. Interest isn't transferred until year end so will show a variance until then	
(1,353,720)	▼		Negative Variances	
(1,353,720)	▼		Net Negative Variance Attributable to Material Items	