

Variance Commentary – Statement of Financial Activity by Nature & Type

Operating Revenues	Material Variance		Significant Items		
Rates	-	420,853	475,775	▲	Rates - Higher than anticipated increase in value of some properties
			475,775	▲	Positive Variance
			(54,922)	▼	Ex Gratia Rates to be reviewed in February
			(54,922)	▼	Negative Variance
			420,853	▲	Net Positive Variance
Fees & Charges	-	462,553	514,009	▲	Waste Management - Contaminated and liquid waste higher than forecasted
			102,219	▲	FeNaCING income to be transferred from REAP income in February
			100,060	▲	\$66,106 is attributable to a change in the effective date of a lease agreement and will be adjusted at budget review
			72,769	▲	Karratha Airport Car Parking - Higher car park revenue with increased passengers and industry demand
			52,561	▲	KLP Kiosk Bar Operation only commenced 29.10.2022 without any budget input
			52,364	▲	KLP Memberships up by approx. 200 for the months of Aug-Nov when compared to the same period in 2021
			893,981	▲	Positive Variance
			(161,250)	▼	Private works to be invoiced in February
			(144,395)	▼	Aircraft landings have been below expectations and will be adjusted at budget review
			(76,970)	▼	Timing difference for \$96,413 Lease fee adjustment processed in Jan 2023
			(382,615)	▼	Negative Variance
			511,366	▲	Net Positive Variance
Operating Grants, Subsidies & Contributions	35.86%	2,571,744	3,500,000	▲	RTIO CISP Yr 1 payment invoiced
			258,836	▲	The Quarter - Outgoings revenue higher than anticipated
			246,404	▲	Government Grant - Financial Assistance and Local Road Grant higher than anticipated
			178,734	▲	Airport - RASI Grant has been extended to end of Jan 2023. Cash flow will be updated at the budget review
			176,000	▲	Youth Services - RTIO Funding received earlier than anticipated
			4,359,974	▲	Positive Variance
			(1,080,000)	▼	Development WA Funding for Madigan Road Works pending receipt
			(500,000)	▼	Shakespeare SWA contribution pending
			(288,303)	▼	Road Maintenance grant funding - Certificate of Completion lodged in August. Awaiting payment of funds.
			(1,868,303)	▼	Negative Variance
			2,491,671	▲	Net Positive Variance
Interest Earned	12.57%	164,453	164,453	▲	Interest rates higher than anticipated at budget time. 2.5%-3.08% compared to actual interest rates of 2.5%-4.70%.
Other Income	-	(82,840)	(73,803)	▼	The number of infringement being issued by rangers has reduced due to staff vacancies and a greater level of compliance on matters like abandoned shopping trolleys

Operating Expenses	Material Variance		Significant Items		
Employee costs	-20.91%	4,227,629	4,227,629	▲	Various vacancies across the City have resulted in reduced employee costs
Materials & Contracts	-18.99%	5,156,369	895,280	▲	Madigan Rd (Homemaker Centre Access) Modification - Design - Project delayed. Cashflow to be adjusted in March 2023 Budget Review
			875,018	▲	Cell 0 Capping / Closure Works - Timing difference
			477,816	▲	Information Services - ERP and minor projects implementation due to organisational resourcing constraints
			343,552	▲	General Waste and Recycling Collection - Delayed invoice receival and processing
			316,285	▲	Airport - Security & Screening costs processed later than planned
			305,209	▲	\$150k for Shakespeare POS not commenced - delayed final payments for overdue projects
			287,809	▲	Stormwater Structure Projects - Capital - Delay in finalising payment for Millstream Culvert due to outstanding works
			276,600	▲	Footpaths Major Replace/Renewals - Delay in delivering footpath renewal program due to expiration of concreting service contract
			233,875	▲	Open Spaces & Reserves - Delays to work due to additional slashing required due to weed growth
			211,155	▲	The Quarter - Delayed invoice receival and processing
			209,042	▲	Fleet and Plant - Fuel - Timing of import of fuel data in the new system
			191,670	▲	Kerb Renewals - Delay in delivering kerb program due to expiration of concreting service contract
			163,268	▲	Wickham Rec Facility - Water main upgrade and water softener installation project delayed. Due to commence February 2023.
			149,000	▲	Roundabout Maintenance - Delayed invoice receival and processing
			139,575	▲	Street Sweeping - Delayed invoice receival and processing
			5,075,154	▲	Positive Variance
Utilities	-11.76%	350,546	138,951	▲	Street Lights and REAP - Changes in aircon scheduling to be more efficient, plus cooler start to summer
			91,610	▲	Karratha Golf Course/Bowling Club - Water expenditure occurred later than anticipated
			66,669	▲	Parks & Gardens Water - ERS Water being used through these sites and not reliant on potable water to the City Centre
			51,956	▲	KLP - Electricity - Budget figure included reduction in consumption due to solar. Solar not connected until December 2022
			349,186	▲	Positive Variance
Insurance	-54.23%	1,483,900	1,483,900	▲	Insurance - Awaiting second installment invoice.
Other Expenses	-34.98%	446,855	138,716	▲	Waste Service - Hampton Harbour fee waiver and Ganali contributions have less than anticipated YTD
			130,000	▲	Business Support Contribution - Still processing acquittals from 2021/22 financial year grants so 2022/23 financial year agreements not yet complete.

Operating Expenses	Material Variance		Significant Items		
			84,991	▲	Community Funding - Payments based on Grant Acquittals received. Will adjust at budget review.
			353,707	▲	Positive Variance

Non Operating Revenues	Material Variance		Significant Items		
Non Operating Grants, Subsidies & Contributions	-88.69%	(2,645,961)	(1,786,651)	▼	Grant funding - HSVPP Coolawanyah Road Stage Four, \$1,786,651 in total with 40% at Award, 40% Construction and 20% at progress claim. Initial payment pending receipt from Funding Partner however the City has been advised of processing delays not related to the work.
			(883,310)	▼	KRMO LRCIP Grant Funding (Phase 2 - Received 50% received March 21 & 50% at PC.) (Phase 3 - Funding 50% received June 22, 40% claims quarterly in progress and 10% at PC)
			(2,669,961)	▼	Negative Variance
Proceeds From Disposal of Assets	-63.70%	(1,571,314)	(1,172,942)	▼	Proceeds from disposal of assets less than anticipated due to timing variance of processing asset disposal
Profit/Loss on Asset Disposal	-100.08%	(788,692)	(788,692)	▼	Profit on disposal of assets less than anticipated due to timing variance of processing asset disposal
Tsf From Infrastructure Reserve	-100.00%	(13,662,013)	(13,662,013)	▼	Timing variance of transfer from Infrastructure Reserve - Budget to be amended at March review
Tsf From Partnership Reserve	-	98,430	98,430	▲	Timing variance of transfer from Partnership Reserve - Budget to be amended at March review
Tsf From Waste Management Reserve	-	3,241,392	3,241,392	▲	Transfer from Waste Management Reserve to be amended at March budget review for transfer for expenditure spent on Landfill Cell 0 capping

Non Operating Expenses	Material Variance		Significant Items		
Land	-	55,842	55,842	▲	Reduction of \$60k agreed between parties for purchase Shakespeare units
Artwork	-100.00%	81,836	81,836	▲	Arts & Culture - Relates to carry forward budget for installation of lighting on Watertanks - Timing of works completed against allocated budget. Budget to be reallocated to Plant in March review.
Buildings	-52.93%	9,271,211	3,875,783	▲	Kevin Richards Club Room project delayed. Cashflow to be adjusted in March budget review.
			2,053,958	▲	Shakespeare housing units project delayed. Cashflow to be adjusted in March budget review.
			1,459,832	▲	Jinggari Sites project delayed. Cashflow to be adjusted in March budget review.
			901,753	▲	Lot 7020 project delayed. Cashflow to be adjusted in March budget review.

Non Operating Expenses	Material Variance		Significant Items		
			568,148	▲	KLP Solar project delayed. Cashflow to be adjusted in March budget review.
			145,891	▲	Airport Remediation Works forecourt paving off track. Alternate options to be considered for March budget review.
			120,693	▲	Housing project completed. Cashflow to be adjusted in March 2023 Budget Review.
			100,000	▲	Karratha Depot Building Improvements - Design specification received, project off track due to delay in procurement.
			62,130	▲	Karratha Airport Terminal Air Conditioning - Chiller and VAV installation works completed and scoping of second stage of VAV works to commence in early 2023.
			9,288,188	▲	Positive Variance
Equipment	-103.89%	876,901	876,901	▲	Airport Car Park Equipment - Project delay to replace carpark equipment, will be finalised in April 2023. Replacement of Screens throughout the terminal will be completed in Q4 - \$160K. Storage lockers project will be completed in Q4 - \$15k.
Furniture & Equipment	-89.09%	345,770	345,770	▲	Information Technology - Delayed procurement server replacement and procurement CCTV equipment.
Plant	-79.79%	1,535,977	1,535,977	▲	Parks & Gardens - Delays to procurement and equipment arriving of 2 trucks, excavator, mowers and utility vehicles.
Infrastructure	-42.09%	3,209,098	738,664	▲	Hillview/ Balmoral Upgrade project delayed. Cashflow to be adjusted in March 2023 Budget Review.
			402,717	▲	Kevin Richards Northern Car Park project delayed. Cashflow to be adjusted in March 2023 budget review.
			375,000	▲	KLP Outdoor Court Shading project delayed. Cashflow to be adjusted in March 2023 Budget Review.
			287,809	▲	Stormwater Structure Projects - Delay in finalising payment for Millstream Culvert due to outstanding works.
			276,600	▲	Footpaths Major Replace/Renewals - Delay in delivering footpath renewal program due to expiration fo concreting service contract.
			240,940	▲	KTA - Water Mains Pipe Replacement - 1st stage completed, awaiting scope and estimates for 2nd stage, expected early 2023.
			202,800	▲	Reseal of Cossack Road, Cossack works delayed until March.
			191,670	▲	Kerb Renewals - Delay in delivering kerb program due to expiration of concreting service contract.
			177,135	▲	Playground replacement/upgrade - Delays to invoicing of works due to delays in equipment arriving.
			149,910	▲	Footpath Lighting Program project delayed pending preferred contractor supply. Cashflow to be adjusted in March 2023 Budget Review.
			109,232	▲	Dampier Road Stage 7 Footpath project delayed pending preferred contractor procurement. Cashflow to be adjusted in March 2023 Budget Review.
			81,446	▲	Reticulation upgrade works delayed due to contractor availability.

Non Operating Expenses	Material Variance		Significant Items		
			74,700	▲	Murujuga Nat. Park Access Road (Conzinc Bay) - Project on track pending data from external stakeholders. Cashflow to be adjusted in March 2023 Budget Review.
			72,000	▲	7MWF Plant Maintenance Shade Dome & Concrete Pad project delayed. Cashflow to be adjusted in March 2023 Budget Review.
			62,000	▲	Reseal of Norman Road, Gap Ridge works not being delivered in 22/23 as it conflicts with water main upgrade at the airport.
			3,442,623	▲	Positive Variance
			(443,447)	▼	HSVPP Coolawanyah Road project completed. Cashflow to be adjusted in March 2023 Budget Review.
			(119,538)	▼	Reseal - RTR - Bayview Road, Nickol - Works brought forward to allow time for funding acquittal.
			(562,985)	▼	Negative Variance
			2,879,639	▲	Net Positive Variance
Advances to Community Groups	350.00%	(700,000)	(700,000)	▼	Dampier Shopping Centre - Loan drawdown more than anticipated
Tsf to Infrastructure Reserve	-85.85%	3,532,750	3,532,750	▲	Timing variance of transfer to Infrastructure Reserve - Transfer to occur in February which relates to TWA rates
Tsf to Waste Management Reserve	-81.86%	1,203,216	1,203,216	▲	Timing variance to transfer to Waste Management Reserve - Transfer to occur at end of financial year and budget timeline to be amended in March Budget review