

City of Karratha

Variance Commentary

As at 30 April 2024

| Revenue - Operating Activities | | Explanation of Variances | |
|--------------------------------|---|--|---|
| Amount | | Timing | Permanent |
| 824,343 | ▲ | | Waste Management - Higher than anticipated income from Contaminated Waste. |
| 295,045 | ▲ | | General Revenue - Interest received exceeded expectations due to high interest rates and higher bank balance due to rates receipts and low capital expenditure. |
| 246,136 | ▲ | | Airport - Increase in Heavy Landing fees due to current flight schedules and aircraft changes. |
| 202,975 | ▲ | | The Quarter - Additional Units leased, along with changeover in property management have increased rent received |
| 202,586 | ▲ | | Airport - Growth in passengers has led to an increase in revenue. |
| 196,756 | ▲ | Community Facilities - Roebourne Aquatic Centre - Education Department invoiced earlier than expected. | |
| 173,453 | ▲ | | Karratha Leisureplex - Increase in income due to higher attendance rate. |
| 166,630 | ▲ | Waste Service - Waste Management - Higher than anticipated income on Scrap Metal. | |
| 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 | |
| 110,069 | ▲ | | REAP - Increase in income due to unexpected spike in ticket sales with live shows and movies. |
| 2,504,994 | ▲ | Positive Variances | |
| (1,936,288) | ▼ | | Partnership funds duplicated to income and to individual projects to which that income relates |
| (1,936,288) | ▼ | Negative Variances | |
| 568,706 | ▲ | Net Positive Variances Attributable to Material Items | |

| Expenditure - Operating Activities | | Explanation of Variances | |
|------------------------------------|---|--|-----------|
| Amount | | Timing | Permanent |
| 1,160,000 | ▲ | Operations - Bathgate Road & Delambre Drive Nickol shared footpath project completed, waiting on final invoices to be issued and paid. | |
| 518,413 | ▲ | Karratha Leisureplex - Capital Building Projects - Contracts awarded, payment pending construction milestone. | |
| 460,564 | ▲ | Waste Services - Refuse Site Maintenance - Wall works and building extension delayed to contractor availability. There has also been a delay in vendor invoicing due to discrepancies and staff shortages. | |
| 373,287 | ▲ | City Growth - Variance is due to: KDCCI 2023/24 grant not yet paid as awaiting acquittal of 2022/23 grant; Developing Northern Australia (DNA) grant not yet paid at time of reporting on 30 April 2024 (now paid); City 2 Surf 2023/24 grant not yet paid as currently processing acquittal for 2023 event; Pilbara Summit 2024 grant not yet paid as agreement being entered into; Various TYBO grants currently underway but not yet paid; Staff are continuing to work with applicants to acquit their grants and make payments. | |

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| 242,261 | ▲ | Karratha Airport - Engagement of Consultant to undertake Cabling Report yet to be initiated. Works on Airside drains and roads - commencement date has been delayed. | |
| 213,222 | ▲ | Infrastructure Projects - Footpath Lighting Program - Contract awarded, payment pending construction milestone. | |
| 197,000 | ▲ | | Karratha Leisureplex - Oval Lighting - Project has been deferred to 2024/2025 |
| 190,170 | ▲ | Community Programs - Red Earth Arts Festival - Variance is due to timing differences, with costs expected to be realised in May. | |
| 185,416 | ▲ | Depreciation slightly less than anticipated due to project delays leading to delayed capitalisations | |
| 172,296 | ▲ | Strategic Projects & Infrastructure - Lot 7020 Development - Contract awarded, payment pending design documentation milestone. | |
| 83,047 | ▲ | Strategic Projects & Infrastructure - Millars Well Oval (KRMO) Redevelopment - Contract awarded, payment pending design documentation milestone. | |
| 75,985 | ▲ | Infrastructure Projects - Dampier Stage 7 Footpath - Contract awarded, payment pending construction milestone. | |
| 72,206 | ▲ | Infrastructure Projects - Hancock Way - 6 Houses Construction - Contract awarded, payment pending construction milestone. | |
| 3,943,867 | ▲ | Positive Variances | |
| (2,598,970) | ▼ | | Variance is due to improved employee retention and overall reduction in vacant positions. |
| (99,392) | ▼ | | Community Facilities - Karratha Golf Course - Water usage higher than expected. |
| (83,245) | ▼ | | Karratha Airport - Unforeseen reactive works to hydraulic and electrical services, costs continue into this month. |
| (66,608) | ▼ | | Karratha Airport - Reactive works to replace Body Scanner Equipment. |
| (65,228) | ▼ | | Parks & Gardens - Bulgarra Oval - Water usage higher than expected. |
| (2,913,443) | ▼ | Negative Variances | |
| 1,030,424 | ▲ | Net Positive Variances Attributable to Material Items | |

| Inflows - Investing Activities | | Explanation of Variances | |
|--------------------------------|---|--|-----------|
| Amount | | Timing | Permanent |
| 228,458 | ▲ | Operations - Road Maintenance - Grants received before budgeted. | |
| 228,458 | ▲ | Positive Variances | |
| 0 | ▼ | Negative Variances | |
| 228,458 | ▲ | Net Positive Variances Attributable to Material Items | |

| Outflows - Investing Activities | | Explanation of Variances | |
|---------------------------------|---|--|-----------|
| Amount | | Timing | Permanent |
| 1,160,000 | ▲ | Operations - Bathgate Road & Delambre Drive Nickol shared footpath project completed, waiting on final invoices to be issued and paid. | |
| 786,593 | ▲ | Infrastructure Projects - Stormwater Structure Project Cossack Road - Project delayed due to finalising installation design and priorities | |
| 513,854 | ▲ | Community Facilities - Bulgarra Oval Lighting Replacement - delayed due to materials and contractor availability. | |
| 329,000 | ▲ | The Quarter - Costs for Capital improvements have been allocated to expense account. A journal will be completed to move to capital account. | |
| 279,375 | ▲ | Karratha Leisureplex - Outdoor Court Shading - Contracts awarded, payment pending construction milestone. | |
| 239,038 | ▲ | Community Facilities - Karratha Leisureplex projects delayed due to contractor availability. | |

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| 213,222 | ▲ | Infrastructure Projects - Footpath Lighting Program - Contract awarded, payment pending construction milestone. | |
| 197,000 | ▲ | | Karratha Leisureplex - Oval Lighting - Project has been deferred to 2024/2025 |
| 193,023 | ▲ | Information Technology Hardware Refresh - Procurement delays for hardware. | |
| 174,602 | ▲ | | Buildings Housing - Compensation to buyer for extensive repairs on the sale of 18 Warriar Street. |
| 172,296 | ▲ | Project & Infrastructure - Lot 7020 Development - Design tender awarded, pending design documentation milestone | |
| 83,047 | ▲ | Strategic Projects & Infrastructure - Millars Well Oval (KRMO) Redevelopment - Contract awarded, payment pending design documentation milestone. | |
| 75,985 | ▲ | Infrastructure Projects - Dampier Stage 7 Footpath - Contract awarded, payment pending construction milestone. | |
| 72,206 | ▲ | Project & Infrastructure - Hancock Way - 6 Houses Construction - Contract awarded, payment pending construction milestone. | |
| 52,472 | ▲ | Karratha Airport - Capital Building Projects - Works delayed due to material and contractor availability. | |
| 4,541,713 | ▲ | Positive Variances | |
| (79,995) | ▼ | Hampton Oval & Dampier Foreshore - Exercise equipment - Project delayed due to finalising installation design. | |
| (61,321) | ▼ | Parks & Gardens - Purchase of a Toro Proline H800 mower bought forward. | |
| (141,316) | ▼ | Negative Variances | |
| 4,400,397 | ▲ | Net Positive Variances Attributable to Material Items | |

| Outflows - Financing Activities | | Explanation of Variances | |
|---------------------------------|---|---|-----------|
| Amount | | Timing | Permanent |
| 5,128,870 | ▲ | Partnership Reserve - Transfer received from Rio for Partnership funding yet to be transferred to Reserve account. Interim reconciliation completed awaiting confirmation | |
| 5,128,870 | ▲ | Positive Variances | |
| 0 | ▼ | Negative Variances | |
| 5,128,870 | ▲ | Net Positive Variances Attributable to Material Items | |