

City of Karratha

Variance Commentary

As at 31 May 2024

Revenue - Operating Activities		Explanation of Variances	
Amount		Timing	Permanent
1,446,439	▲		Waste Management - Higher than anticipated income from Contaminated Waste.
567,648	▲		Airport - Growth in passengers has led to an increase in revenue.
425,655	▲		General Revenue - Interest receipts higher due to increased rates and greater than expected bank balance, due to delays in project expenditure.
227,439	▲		Karratha Leisureplex - Increase in income due to higher attendance rate.
181,083	▲		REAP - Increase in hire income attributed to a rise in live shows, conferences, movie screenings, and regular venue bookings.
136,528	▲		Waste Services - Waste Management - Higher than anticipated income on Scrap Metal.
109,230	▲	Community Programs - FeNaCING - Sponsorship for fireworks and other events received earlier than expected.	
84,375	▲		The Quarter - Additional Units leased, along with changeover in property management have increased rent received.
50,000	▲		Karratha Airport - Funding received in advance for Indian Ocean Territories Route Development Study. Project will be accrued to 2024/25.
3,228,398	▲	Positive Variances	
(1,972,288)	▼		Engagement & Partnerships - Unallocated Woodside and Rio Tinto partnership funds will be transferred to reserve.
(1,972,288)	▼	Negative Variances	
1,256,110	▲	Net Positive Variances Attributable to Material Items	

Expenditure - Operating Activities		Explanation of Variances	
Amount		Timing	Permanent
1,613,495	▲	Plant Depreciation adjusted in May due to inception of CiA Enterprise Assets 'Asset Book' being brought live. Full year depreciation to be calculated in CiA in June 2024.	
376,548	▲	Waste Services - Refuse Site Maintenance - Delay in contractor availability - Wall works and building extensions.	
287,296	▲	Strategic Projects & Infrastructure - Lot 7020 Development - Contract awarded, payment pending design documentation milestone.	
275,878	▲	Variance is due to: KDCCI 2023/24 grant not yet paid as awaiting acquittal of 2022/23 grant; Pilbara Summit 2024 grant not yet paid as agreement being entered into; Various Take Your Business Online (TYBO) grants currently being underway but not yet paid. Staff are continuing to work with applicants to acquit their grants and make payments.	
273,319	▲	Karratha Leisureplex - Outdoor Court Shading - Contract awarded, payment pending construction milestone.	
256,239	▲	Parks & Gardens - Karratha Open Spaces & Reserves - Delays in invoices for Slashing and scope of works reduced due to weather. Tree Works also reduced due to Aboriginal Cultural Heritage restrictions.	
240,879	▲	Strategic Projects & Infrastructure - Millars Well Oval (KRMO) Redevelopment - Contract awarded, payment pending construction milestone.	

202,455	▲	Parks & Gardens - Effluent Reuse System (ERS) Upgrade - Delays to contractors completing work.	
181,046	▲	Karratha Airport - Engagement of Consultant to undertake Cabling Report yet to be initiated. Works on Airside drains and roads - commencement date has been delayed.	
176,796	▲		The Quarter Hotel - No expenditure to be allocated in this financial year as no work happening at the Hotel.
155,000	▲	Infrastructure Projects - Footpath Lighting Program - Contract awarded, payment pending construction milestone.	
150,000	▲		Parks & Gardens - Softfall Replacement - Works not started - Due to start in July 2024.
130,464	▲	Karratha Airport - Awaiting finalisation of Carpark Equipment Replacement Project.	
111,070	▲	City Growth - Economic Development Initiatives - Variance is due to delay in approval of payment for invoices for Business Climate Scorecard (now paid) and Dampier Tourist Park Feasibility Study (currently being processed), and delay in commencing Visitor Information Services Review project (now commenced, budget to be carried forward to 2024/25 FY).	
63,498	▲	Parks & Gardens - Dampier Open Spaces & Reserves - Aboriginal Cultural Heritage Restrictions resulted in works unable to progress for slashing/spraying drains.	
61,276	▲	Infrastructure Projects - Hancock Way - 6 Houses Construction - Contract awarded, payment pending construction milestone.	
50,422	▲	Community Grants - Some large grants still to be invoiced.	
4,605,680	▲	Positive Variances	
(2,317,965)	▼		Variance is due to improved employee retention and overall reduction in vacant positions.
(118,944)	▼		Community Facilities - Karratha Golf Course - Water usage higher than expected.
(74,342)	▼		Parks & Gardens - Bulgarra Oval - Higher tiered rates of water being supplied from Water Corp resulting in increased expenditure not increased supply.
(54,365)	▼		Parks & Gardens - Baynton West Oval - Lack of Effluent Reuse System (ERS) supply from Water Corporation. Having to use more costly potable water on site.
(2,565,615)	▼	Negative Variances	
2,040,065	▲	Net Positive Variances Attributable to Material Items	

Inflows - Investing Activities		Explanation of Variances	
Amount		Timing	Permanent
(479,682)	▼	West Australian Bicycle Network (WABN) Completion 1 - Pending completion approval from Department of Transport to release \$300k Completion 2 - Pending submission before June 30 of final requirements (activation event, Final ACE Report, Final Acquittal Report).	
(479,682)	▼	Negative Variances	
(479,682)	▼	Net Negative Variances Attributable to Material Items	

Outflows - Investing Activities		Explanation of Variances	
Amount		Timing	Permanent
1,700,000	▲		Strategic Land Acquisitions - Land not acquired, not expected this financial year.
1,016,593	▲	Infrastructure Projects - Stormwater Structure Project Cossack Road - Project delayed due to finalising installation design and priorities.	
559,528	▲	Operations - Bathgate Road & Delambre Drive Nickol shared footpath project completed, waiting on final invoices to be issued and paid.	
513,854	▲	Community Facilities - KLP Oval Lighting Replacement - delayed due to materials and contractor availability.	

462,218	▲	Karratha Leisureplex - Outdoor Court Shading - Contracts awarded, payment pending construction milestone.	
395,862	▲	Information Technology Hardware Refresh - Procurement delays for hardware.	
338,000	▲	The Quarter - Costs for Capital improvements have been allocated to expense account. A journal will be completed to move to capital account.	
287,296	▲	Project & Infrastructure - Lot 7020 Development - Design tender awarded, pending design documentation milestone.	
265,726	▲	Infrastructure Projects - Roebourne Streetscape Master Plan - Contract awarded, payment pending construction milestone.	
240,879	▲	Strategic Projects & Infrastructure - Millars Well Oval (KRMO) Redevelopment - Contract awarded, payment pending design documentation milestone.	
213,222	▲	Infrastructure Projects - Footpath Lighting Program - Contract awarded, payment pending construction milestone.	
202,455	▲		Parks & Gardens - Effluent Reuse System (ERS) Upgrade - Delays to contractors completing work.
197,000	▲		Karratha Leisureplex - Oval Lighting - Project has been deferred to 2024/2025.
175,000	▲	Community Facilities - Karratha Leisureplex projects delayed due to contractor availability.	
174,602	▲		Buildings - Housing - Compensation received on the purchase of 18 Warriar Street for extensive repairs .
150,000	▲		Parks & Gardens - Softfall Replacement - Works not started - Due to start in July 2024.
146,029	▲	Parks & Gardens - Replacement of Hino Truck purchase has been delayed until June.	
130,464	▲	Karratha Airport - Awaiting finalisation of Carpark Equipment Replacement Project.	
110,085	▲	Karratha Leisureplex - Purchase of additional Sand Filter Replacement - 3 remaining filters on the 50m pool delayed.	
61,276	▲	Project & Infrastructure - Hancock Way - 6 Houses Construction - Contract awarded, payment pending construction milestone.	
7,340,088	▲	Positive Variances	
(79,995)	▼	Hampton Oval & Dampier Foreshore - Exercise equipment - Project delayed due to finalising installation design.	
(79,995)	▼	Negative Variances	
7,260,093	▲	Net Positive Variances Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances	
Amount		Timing	Permanent
5,222,089	▲	Partnership Reserve - Transfer received from Rio for Partnership funding pending EOFY transfer to Reserve account.	
5,222,089	▲	Positive Variances	
0	▼	Negative Variances	
5,222,089	▲	Net Positive Variances Attributable to Material Items	