

City of Karratha

Variance Commentary

As at 31 July 2024

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,404,950	▲	Interest	Reserve - Relates to 2024 financial year Accruals and new Reserve ledger and process. To be adjusted at budget review	
881,879	▲	Rates		Rates - First time rating of Perdanan, increase in Strategic Industry property valuations on the Burrup.
556,356	▲	Fees & Charges		Waste Management - Higher than anticipated income from contaminated and liquid waste disposal.
193,371	▲	Fees & Charges	Community Programs - FeNaCLE - Timing Adjustment end of year Accrual journals	
84,528	▲	Fees & Charges	Community Facilities - Lease Income - Timing Adjustment end of year Accrual journals	
58,088	▲	Fees & Charges		Karratha Leisureplex - Increase in income due to higher attendance rate.
3,179,172	▲		Positive Variances	
(52,000)	▼	Operating Grants	Cossack Art Awards - Timing adjustment end of year Accrual journals	
(52,000)	▼		Negative Variances	
3,127,172	▲		Net Positive Variances Attributable to Material Items	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,428,823	▲	Employee Costs	Relates to prior year accruals, to be adjusted at budget review	
616,096	▲	Materials & Contractors	Information Services - IT Software prepayments to be expensed throughout the year	
373,714	▲	Materials & Contractors	ERP Project Office - Annual subscription prepayments to be expensed throughout the year	
270,213	▲	Materials & Contractors	General Waste and Recycling Collection - July invoice yet to be received	
261,582	▲	Materials & Contractors		Community Facilities - KLP - Actual consumptions of resources is less than budgeted.
148,250	▲	Depreciation	Depreciation - Minor variance due to timing around additions and disposals during the year	
124,696	▲	Materials & Contractors		Parks & Gardens - Actual consumptions of resources is less than budgeted.
120,000	▲	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.	
103,163	▲	Materials & Contractors		Community Programs - REAP - Actual consumptions of resources is less than budgeted.
90,830	▲	Materials & Contractors	Technical Services - The amount included for the first month is an average of the total cost only. Hence current expenditure is not always reflective of the estimates. Further works have been awarded totalling \$26,730 in this week alone with more anticipated in the next few months.	
66,917	▲	Utilities	Karratha Leisureplex - Electricity charges, invoices not yet received	
57,313	▲	Other Expenses	Financial Services - ESL - 24/25 invoice not yet received	
50,374	▲	Utilities	Parks & Gardens - Water Usage, invoices not yet received	
3,711,970	▲		Positive Variances	
0	▼		Negative Variances	
3,711,970	▲		Positive Variances	

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 Rd Intersection Reconstruction - Phase 4 Part B Funding - First Instalment (\$209,102.40 out of the \$349K) received earlier than anticipated.
93,750	▲	Non Operating Grants		Engagement & Partnerships - Community Development - Grants received earlier than anticipated.

1,498,960	▲		Negative Variances
1,498,960	▲		Net Positive Variances Attributable to Material Items

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
310,000	▲	Infrastructure	Strategic Projects & Infrastructure - Roebourne Streetscape Master Plan - Contract awarded, payment pending construction milestone.	
300,000	▲	Infrastructure	Technical Services - Coolawanyah & Dewitt Road Intersection Reconstruction - Construction has been delayed by a third party. Contract Award is anticipated at August Council Meeting on 19/08. Works on site are anticipated to commence in September with the first claim submission by end of September, and 1st payment released in October.	
287,490	▲	Infrastructure	Technical Services - Construction works at Cossack Road have only commenced this week. Hence, the anticipated Payment Claim will only be received by end of this month with Payment expected to be released next month only. The first claim is expected to be over the original estimate of \$300K.	
250,000	▲	Work in Progress Infrastructure	Technical Services - King Bay Road Culvert Replacement - Construction works at King Bay Rd have only commenced this week due to delays caused by a third party. Hence, the anticipated Payment Claim will only be received by end of this month with Payment expected to be released next month only.	
210,000	▲	Plant		Parks & Gardens - Fleet - Purchase of two Trucks has been delayed.
173,271	▲	Infrastructure	Operations - Road Reseal Program - Mosher & Thompson Reseals - Works complete, invoices accrued expense from 23/24 budget. Invoices being processed.	
133,778	▲	Infrastructure	Strategic Projects & Infrastructure - Hillview Balmoral Upgrade - Actual consumptions of resources is less than budgeted.	
124,021	▲	Work in Progress Infrastructure	Operations - Woodbrook Road - Gravel Re-sheeting - Program delayed, now started - ongoing	
110,947	▲	Infrastructure	Infrastructure Projects - Footpath Lighting Program - Contract awarded, payment pending construction milestone.	
80,358	▲	Equipment	Waste Services -Waste Water Treatment Plant - Timing adjustment Enf of Year Accrual journals	
75,000	▲	Infrastructure	Strategic Projects & Infrastructure - Saylor Park - Wickham Public Accessible Amenity - Contract awarded, payment pending construction milestone.	
2,054,865	▲		Positive Variances	
0	▼		Negative Variances	
2,054,865	▲		Net Positive Variances Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
0	▲		Positive Variances	
492,033	▲	Reserves	Forecast CFwd Budget Reserve accounting adjustment not required. Interest accruals adjusted August	
492,033	▲		Positive Variances	
492,033	▲		Net Positive Variances Attributable to Material Items	