

# City of Karratha

## Variance Commentary

As at 30 September 2024

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
2,208,198	▲	Rates		Rates - First time rating of Perdanman, increase in Strategic Industry property valuations on the Burrup.
2,049,370	▲	Fees & Charges		Waste Management - Higher than anticipated income from contaminated and liquid waste disposal.
576,767	▲	Other Income	Financial Services - System issue applied income incorrectly to Financial Services. Investigation concluded and correction expected October	
550,000	▲	Operating Grants	Infrastructure Projects - Funding contribution received for Roebourne Streetscape Master Plan (Construction) before budgeted.	
256,190	▲	Fees & Charges		Airport - Growth in passenger numbers has led to an increase in revenue.
236,732	▲	Interest		Interest rates exceeded budgeted expectations, returning higher interest earnings than anticipated
215,435	▲	Fees & Charges		Karratha Leisureplex - Increase in income due to higher attendance rate and enrolments received earlier in September.
6,092,692	▲		<b>Positive Variances</b>	
0	▼		<b>Negative Variances</b>	
6,092,692	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
907,443	▲	Employee Costs	Employment Costs - Relates to prior year accruals - to be adjusted at budget review	
411,498	▲	Materials & Contractors	General Waste and Recycling Collection - July & August invoice yet to be received.	
275,000	▲	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.	
221,732	▲	Materials & Contractors	Community Planning - Project Plan sign off is now complete. RFQs for projects now commencing.	
208,404	▲	Materials & Contractors	Technical Services - Weymul Crossing - Geotechnical Investigations and Feasibility Study contract awarded awaiting project milestone.	
205,633	▲	Other Expenses	City Growth - Variance is comprised of and due to: - KDCCI sponsorship: Acquittal of 23/24 sponsorship required prior to release of 24/25 - KBECI sponsorship: Going to Council in November - Take Your Business Online (TYBO) Grants: \$8,812 has been paid, not the \$15,000/month estimate - Woodbines Pty Ltd Seed Funding: Agreed scope of work not completed by Woodbine, acquittal due date extended to 31 March 2025	
190,632	▲	Materials & Contractors	Waste Services - 7 Mile - Road & Site Maintenance not yet started.	
185,407	▲	Materials & Contractors	Information Services - IT Software prepayments to be expensed throughout the year.	
178,000	▲	Utilities		The Quarter Hotel - Rates relating to The Quarter Investment Property, allocated to incorrect account, offset in Other Expenditure
348,441	▲	Depreciation		Depreciation - budget based on fixed inflation amount and updated asset register, to be updated at budget review.
152,606	▲	Insurance	Insurance - non-material variances exist across cost centres due to LGIS invoice coming in under budget. Performance based adjustment yet to be received	
147,474	▲	Materials & Contractors	ERP Project Office - Annual subscription prepayments to be expensed throughout the year.	

106,699	▲	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.
103,284	▲	Materials & Contractors	Waste Services - Cell Capping / Closure Works - Gas Management Plan - Invoices yet to be received.	
102,000	▲	Materials & Contractors	Engagement & Partnerships - Community Development - Project commencement delayed. Expected in Jan 2025.	
100,903	▲	Materials & Contractors	Waste Services - Wickham Transfer - Bida contract - delay in invoices being received.	
100,000	▲	Materials & Contractors	Operations - Unsealed Rural Road Maintenance - Wittenoom Road survey completed late September, awaiting testing results.	
100,000	▲	Materials & Contractors	Waste Service - 7 Mile Road Maintenance - Internal roads upgrade works not yet started.	
91,433	▲	Utilities	Karratha Airport - Electricity charges, invoices not yet received.	
83,322	▲	Materials & Contractors	Approvals & Compliance - Looking to engage planning consultant to assist in progressing priority strategic planning projects	
80,000	▲	Materials & Contractors	Approvals & Compliance - Town Planning Scheme Review - Consultant appointed to prepare Coastal Hazard Risk Management & Adaptation Plan	
75,681	▲	Utilities	Parks & Gardens - Water - invoices not yet received.	
74,553	▲	Materials & Contractors	Parks & Gardens - Street Tree Maintenance - Delays to invoices for Street Tree Pruning Program	
71,963	▲	Utilities	Depot Services - Street Lights - invoices not yet received.	
65,000	▲	Materials & Contractors	Infrastructure Projects - Wickham Boat Beach Jetty - Pending Consultant procurement and engagement.	
61,494	▲	Materials & Contractors	Depot Services - Delay with Vendor for fuel bowser components. Lead time 5-6 weeks. Anticipate completion end of November.	
60,000	▲	Materials & Contractors	Parks & Gardens - Point Samson Dune Protection & Walkways - Delays due to ACH approvals for works	
57,313	▲	Other Expenses	Financial Services - ESL - 24/25 invoice not yet received	
56,859	▲	Utilities	Community Facilities - Karratha Leisureplex - invoices not yet received.	
<b>4,822,773</b>	▲		<b>Positive Variances</b>	
(303,934)	▼	Other Expenses	The Quarter - Strata Levies - Reimbursement expected from tenants. Balance offset in Utilities	
(84,490)	▼	Materials & Contractors		Parks & Gardens - Bulgarra Oval - Repair works post fence recovery to the turf.
(83,406)	▼	Materials & Contractors		Karratha Airport - Building Maintenance - Commitment from 23/24 FY completed this FY and emergency works.
(81,147)	▼	Materials & Contractors	Parks & Gardens - Karratha open spaces and reserves - Slashing open vegetation works completed earlier than expected.	
(52,887)	▼	Materials & Contractors		Building Maintenance - SES Building - Unexpected safety issue with roller doors required replacement without budget.
<b>(605,864)</b>	▼		<b>Negative Variances</b>	
<b>4,216,910</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Inflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
0	▲		<b>Positive Variances</b>	
(78,982)	▼	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.	
<b>(78,982)</b>	▼		<b>Negative Variances</b>	
<b>(78,982)</b>	▼		<b>Net Negative Variance Attributable to Material Items</b>	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,550,000	▲	Infrastructure	Strategic Projects & Infrastructure - Roebourne Streetscape Master Plan - Contract awarded, payment pending construction milestone.	
1,400,000	▲	Infrastructure	Building Maintenance - Karratha Leisureplex Oval Lighting Replacement - Works completed, pending final invoices.	
1,123,926	▲	Infrastructure	Technical Services - Coolawanyah & Dewitt Road Intersection Reconstruction - Construction has been delayed.	

635,968	▲	Infrastructure	Technical Services - Stormwater Structure Projects - Cossack Road works commenced behind schedule. Progress claim delayed	
466,488	▲	Infrastructure	Strategic Projects & Infrastructure - Hillview Balmoral Upgrade - works delayed but ongoing. Awaiting next construction milestone.	
320,540	▲	Work in Progress Infrastructure	Technical Services - King Bay Road Culvert Replacement - Construction works at King Bay Road commenced September. Progress claim delayed.	
300,000	▲	Infrastructure	Strategic Projects & Infrastructure - Oval General Equipment - Community Storage Sheds contract awarded, payment pending construction milestone.	
299,520	▲	Infrastructure	Strategic Projects & Infrastructure - Kevin Richard Memorial Oval (KRMO) - Oval Playing Surface Lighting and Pole Upgrade - Contract awarded, payment pending construction milestone.	
287,850	▲	Infrastructure	Parks & Gardens - Effluent Reuse System (ERS) - Delays to works progressing as contractors focus on other City projects.	
285,000	▲	Plant	Karratha Airport - Fleet - Loader replacement has been delayed.	
250,000	▲	Infrastructure	Operations - Kerb Renewals - Contractor delays, works now started 14/09/2024.	
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.	
163,858	▲	Infrastructure	Strategic Projects & Infrastructure - KLP Outdoor Court Shading - Contract awarded, payment pending construction milestone.	
110,000	▲	Plant	Parks & Gardens - Fleet - Purchase of two Trucks has been delayed.	
105,000	▲	Work in Progress Infrastructure	Sanitation - Purchase of 3 Tonne Tip Truck has been delayed.	
100,000	▲	Furniture & Equipment	Community Facilities - Karratha Leisureplex projects delayed due to contractor availability.	
86,359	▲	Plant	Waste Services - Purchase of a generator for Landfill Gas Flare has been delayed.	
65,000	▲	Equipment	Strategic Projects & Infrastructure - Hampton Oval Exercise Equipment - Program delayed. Contract award pending.	
58,000	▲	Work in Progress Infrastructure	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.	
50,000	▲	Infrastructure	Strategic Projects & Infrastructure - Kevin Richard Memorial Oval (KRMO) Precinct Redevelopment Master Plan - Pending Consultant engagement for design of Pavilion Refurbishment and Stadium Terraced Seating Plans.	
8,397,510	▲		<b>Positive Variances</b>	
(225,484)	▼	Infrastructure	Strategic Projects & Infrastructure - Kevin Richard Memorial Oval (KRMO) - Multi-Use Hardcourts and Lighting - Demolition of the former KRMO Club Room and site rectification. To be adjusted a budget review.	
(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.
(372,583)	▼		<b>Negative Variances</b>	
8,024,927	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,946,879	▲	Reserves	Reserves - CFwd Budget Reserve. No transfer required - carry forward from a prior year which will be cleared by October.	
1,946,879	▲		<b>Positive Variances</b>	
(3,761,834)	▼	Reserves	Transfer to Reserves - System issue with new ETL process not reversing as expected. Issue has been investigated and correction actioned October.	
(3,761,834)	▼		<b>Negative Variances</b>	
(1,814,955)	▼		<b>Net Negative Variance Attributable to Material Items</b>	