

# City of Karratha

## Variance Commentary

As at 29 February 2024

Revenue - Operating Activities		Explanation of Variances		
Amount		Timing	Permanent	Addressed via Budget Amendment
2,319,204	▲		Full rating of Bechtel TWA camp not budgeted for in 23/24.	✓
1,586,208	▲		Waste Management - Increase in Commercial & Industrial, Construction & Demolition and Liquid Waste streams will be amended in Budget Review	✓
752,443	▲		General Revenue - Interest received exceeded expectations due to high interest rates and higher bank balance due to rates receipts and low capital expenditure.	✓
564,490	▲		Airport - Growth in passengers with 12% increase in Flights.	✓
204,027	▲		REAP - Increase in income due to higher rates of venue hires and live shows and movies.	✓
138,831	▲	Airport - Power usage for tenants during the summer months is higher than usual, however anticipate it won't exceed the annual budget.		✓
136,826	▲	Airport - Continuance of Virgin Freight building Lease		✓
156,552	▲		Community Facilities - WRF- Rio funding received greater than budget for Wickham Recreational Facility.	✓
84,218	▲	Babcock & Offshore Hangars - Prepaid Lease revenue for March and April 2024.		
5,942,799	▲	<b>Positive Variances</b>		
(1,492,360)	▼	Community Facilities - WCH and DCH - Rio funding yet to be allocated for Wickham Community Hub & Dampier Community Hub. DCH invoiced 12.3.24 payment due 21.4.24 and WCH to be invoiced in April.		✓
(143,566)	▼		Airport - Delay in the installation of carpark system resulted in reduction in revenue.	✓
(1,635,926)	▼	<b>Negative Variances</b>		
4,306,873	▲	<b>Net Positive Variances Attributable to Material Items</b>		

Expenditure - Operating Activities		Explanation of Variances		
Amount		Timing	Permanent	Addressed via Budget Amendment
1,798,810	▲		Depreciation - adjustment of depreciation allocations.	✓
1,000,000	▲		Operations - Coolawanyah & Dewitt Rd Intersection Reconstruction - works have been delayed due to contractor & material availability.	✓
605,998	▲	Parks & Gardens - Karratha Open Spaces, Streetscapes, Cemetery Enhancement & Reticulation works delayed due to Aboriginal & Cultural Heritage (ACH) Restrictions and contractor availability.		✓
435,676	▲	Karratha Airport - Delays to FIDS (Flight Information Display Screens) project (Jan-24), BHS (Baggage Handling System) Software project (4th quarter), security invoice processing and Airside Drain & Roadworks (May-24)		✓
236,375	▲	Fleet & Plant - Fuel price fluctuation less than budgeted and parts for Landfill Shredder yet to be received. \$152k payment due on delivery of parts.		
230,801	▲	City Growth - Variance is due to: KDCCI 2023/24 grant pending awaiting acquittal of 2022/23 grant; Developing Northern Australia Conference - Payment has not yet been made; Various other grants being approved but not yet fully acquitted and paid out.		✓
229,454	▲	Engagement & Partnerships - Community Planning - Community Infrastructure Plan (\$50K) and Point Samson Master Plan (\$80K) not yet commenced and Medical Services Housing Subsidy expenses lower than forecast. \$30K Wickham Entry Bay		✓
185,518	▲		City Growth - Final invoices for National Economic Development Conference now processed. Variance is due to savings. Budget will be reduced at March review to reflect this.	✓
177,913	▲		Insurance - Invoices less than anticipated for performance-based adjustments will be adjusted at budget review.	✓
162,581	▲	Waste Services - February waste collection Invoices were not received for processing.		
140,805	▲	Sanitation - Karratha Leisureplex and Airport February Invoices were not received for processing.		

132,597	▲	Corporate & Commercial - The Quarter - Works to level 3 underway. To be completed by April		✓
124,028	▲		Governance - Sale of Hancock lots has not materialised. No further interest to date, hence expenditure may not apply for remainder of year for commissions or settlement costs.	
107,900	▲	City Growth - Economic Development Initiatives – variance due to project delays. Budget adjusted at March review to reflect new project schedules.		✓
77,213	▲		Service Worker Accommodation - SWA Shakespeare Units - Strata arrangements cancelled as of 1 July, to be addressed at budget review.	✓
71,602	▲	Depot Services - Continued delay in Invoice and/or execution of work underway due to contractor/parts availability. In schedule for March & April 2024.		
5,717,270	▲	<b>Positive Variances</b>		
(3,227,853)	▼		Timesheet allocation to overheads error has been corrected. Variance is due to improved employee retention, additional positions and overall reduction in vacant positions.	
(348,279)	▼		Parks & Gardens - Water usage higher than expected. Supply issues of Effluent Reuse Water from Water Corporation resulting in potable water from a meter being required at Baynton West Oval.	✓
(194,072)	▼		Building Maintenance - Karratha Leisureplex - Expenditure due to significant investigative works for shade sails.	✓
(139,673)	▼		Building Maintenance - Staff Housing Improvements - Internal repaint of vacant houses and Termite barrier install. 7 Mile Building - Unforeseen reactive works to safety showers and hydraulic services.	✓
(65,820)	▼		Building Maintenance - Karratha Youth Shed - continuance of urgent works required to address safety issue on basketball courts	✓
(51,125)	▼		Karratha Airport - Additional Precision Approach Path Indicator (PAPI) globes for runway lighting needed and not budgeted for.	
(4,026,823)	▼	<b>Negative Variances</b>		
1,690,447	▲	<b>Net Positive Variances Attributable to Material Items</b>		

Inflows - Investing Activities		Explanation of Variances		
Amount		Timing	Permanent	Addressed via Budget Amendment
343,636	▲		Corporate Services – Sale proceeds of 35 and 41 Hancock Way.	
343,636	▲	<b>Positive Variances</b>		
(611,185)	▼	Operations - Footpath & Kerb Maintenance grant not yet received		
(611,185)	▼	<b>Negative Variances</b>		
(267,548)	▼	<b>Net Negative Variances Attributable to Material Items</b>		

Outflows - Investing Activities		Explanation of Variances		
Amount		Timing	Permanent	Addressed via Budget Amendment
2,751,287	▲	Operations - Stormwater & Road Reseals - works had been delayed, have since commenced, and awaiting invoices to be submitted.		
731,524	▲	Information Technology Hardware Refresh - Procurement delays for hardware.		✓
514,237	▲	Waste services - Heavy plant purchase expected to arrive late April.		✓
439,500	▲	Operations - Stormwater & Road Reseals - works had been delayed, have since commenced, and awaiting invoices to be submitted.		✓
382,315	▲	Parks & Gardens - Cemetery, Streetscapes, Wickham Oval & Reticulation works delayed due to Aboriginal & Cultural Heritage (ACH) Restrictions		
320,158	▲	Karratha Airport – pump and watermain replacement works delayed due to materials and contractor availability - Works are now underway.		
312,964	▲	Karratha Airport - Delays in procurement of Display Screens throughout the Terminal		✓
292,036	▲	Parks & Gardens - Purchase of a Tractor is due in May 2024.	Parks & Gardens - 2 truck purchases deferred until 2024/2025 at March budget review.	✓
273,319	▲	Projects & Infrastructure - KLP Outdoor Court Shading - Contract awarded and pending coordination of design documentation and installation window on site.		✓
199,205	▲	Projects & Infrastructure - CBD Bus Shelter Construction ongoing with procurement delays, but works are now underway.		✓
175,000	▲	Community Facilities - Karratha Leisureplex project delayed until April due to contractor availability.		✓

160,000	▲	Tech Services - Delays in procurement of replacement plant.		
148,747	▲	Projects & Infrastructure - Roebourne Streetscape Master Plan - Council endorsement to proceed with award at March Council meeting.		✓
129,290	▲	Kevin Richards Club Room - Project delayed due to contractor delivery and defective work		✓
83,200	▲	Projects & Infrastructure - Millars well Oval Re-development - Pending completion of design documentation milestone		✓
6,912,782	▲	<b>Positive Variances</b>		
	▼			
0	▼	<b>Negative Variances</b>		
6,912,782	▲	<b>Net Positive Variances Attributable to Material Items</b>		

Outflows - Financing Activities		Explanation of Variances		
Amount		Timing	Permanent	Addressed via Budget Amendment
4,877,553	▲	Partnership Reserve - Allocations adjusted based on updated reserve balances. \$4M received from RTIO to be transferred from Municipal funds to Partnership Reserve		✓
4,877,553	▲	<b>Positive Variances</b>		
	▼			
0	▼	<b>Negative Variances</b>		
4,877,553	▲	<b>Net Positive Variances Attributable to Material Items</b>		