

City of Karratha

Variance Commentary

As at 30 June 2024

Revenue - Operating Activities		Explanation of Variances	
Amount		Timing	Permanent
1,922,413	▲		Waste Management - Higher than anticipated income from contaminated and liquid waste disposal.
1,216,149	▲	Reserve - Awaiting finalisation of end of year reserves reconciliation and transfer. In addition, inception of new Reserves ledger/entity has reported interest and transfers in a new format to be incorporated into future reporting	
532,675	▲		General Revenue - Interest received is higher than anticipated as there have been delays to project expenditure, meaning a higher bank balance on which interest is earned.
258,014	▲		Karratha Leisureplex - Increase in income due to higher attendance rate.
135,878	▲	Community Programs - FeNaCLE - Sponsorship for fireworks and other events received earlier than expected.	
95,671	▲		Waste Services - Waste Management - Higher than anticipated income from scrap metal recycling.
94,592	▲		REAP - Increase in hire income attributed to a rise in live shows, conferences, movie screenings, and regular venue bookings.
67,030	▲		Financial Services - Rates - Higher recovery rate through collection agent AMPAC for outstanding rates.
4,322,421	▲	Positive Variances	
(175,421)	▼		Airport - Leases inside terminal - Reduction in revenue arising from recalculation in Retail Lease resulting in a credit issued for FY 20/21, FY 21/22 & FY 22/23.
(86,405)	▼		Airport - Power Reimbursement - Power consumption by tenants is lower than anticipated.
(261,826)	▼	Negative Variances	
4,060,595	▲	Net Positive Variances Attributable to Material Items	

Expenditure - Operating Activities		Explanation of Variances	
Amount		Timing	Permanent
645,474	▲	Karratha Airport - Delay in processing MSS Security Screening invoice for June 2024.	
416,615	▲	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.	
375,694	▲		Waste Services - Refuse Site Maintenance - Works for Tip Shop modification and transfer station wall repair delayed due to contractor unavailability.
314,464	▲		Karratha Airport - Awaiting finalisation of Carpark Equipment Replacement Project & arrival of replacement Display Screens
288,691	▲		Variance is due to: MESAP budget not being fully allocated in the 2023/24 financial year; KDCCI 2023/24 grant not yet paid as awaiting acquittal of 2022/23 grant (currently underway); Various Take Your Business Online (TYBO) grants currently being underway but not yet paid; Woodbines 2023/24 grant not being paid as work still underway by proponent (this has been carried forward to 2024/25 financial year). Staff are continuing to work with applicants to acquit their grants and make payments.

126,894	▲		Fleet & Plant - Fuel - Reduced usage vs planned overall usage for the month of June. Purchase price average less than forecast.
104,103	▲		City Growth - Economic Development Initiatives - Variance is due to delay in commencing Visitor Information Services Review project (now commenced, budget to be carried forward to 2024/25 FY).
95,360	▲		Engagement & Partnerships - Community Engagement - Review of Youth Strategy not commenced. Carried forward to 2024/2025.
88,020	▲		Depreciation - Minor variance due to timing around additions and disposals during the year
65,893	▲		Fleet & Plant - Waste compactor parts not received due to delay in contractor repair.
59,499	▲		Parks & Gardens - Wickham Oval Renovation - Delays in consulting and completing works due to extensive internal discussions and involvement with RIO Tinto for funding. Works back on schedule now
2,580,707	▲	Positive Variances	
(4,362,962)	▼		Variance is due to improved employee retention and overall reduction in vacant positions, including end of financial year accrual adjustments of \$1.3m.
(397,419)	▼		Insurance - Performance Based Adjustment relating to workers compensation claims higher than anticipated.
(166,405)	▼		Parks & Gardens - Works for Effluent Reuse System (ERS) tank repairs finished and invoiced earlier than expected.
(142,886)	▼		Karratha Leisureplex - Prompt receipt of July invoices relating to June recognised expenditure sooner than anticipated.
(137,574)	▼		Community Facilities - Karratha Golf Course - Water usage higher than expected.
(92,043)	▼		Depot - Street Lights - Prompt receipt of July invoices relating to June recognised expenditure sooner than anticipated.
(84,186)	▼		Parks & Gardens - Bulgarra Oval - Higher tiered rates of water being supplied from Water Corp resulting in increased expenditure not increased supply.
(81,528)	▼		Airport - Prompt receipt of July invoices relating to June recognised expenditure sooner than anticipated
(61,873)	▼		The Quarter Investment Property - Increase in rental charges and variable outgoings due to increased tenant occupancy.
(57,868)	▼		Parks & Gardens - Baynton West Oval - Lack of Effluent Reuse System (ERS) supply from Water Corporation. Having to use more costly potable water on site.
(5,584,744)	▼	Negative Variances	
(3,004,037)	▼	Net Negative Variances Attributable to Material Items	

Inflows - Investing Activities		Explanation of Variances	
Amount		Timing	Permanent
247,318	▲		Engagement & Partnerships - Pavilion upgrade grant received - pending (yet to commence)
212,476	▲		Strategic Projects & Infrastructure - Road Maintenance - Grants received before budgeted.
459,794	▲	Negative Variances	
459,794	▲	Net Positive 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.
937,021	▲		Infrastructure Projects - Stormwater Structure Project Cossack Road - Project delayed due to finalising installation design and priorities.

667,985	▲		Community Facilities - Karratha Leisureplex Oval Lighting Replacement - delayed due to materials and contractor availability.
607,257	▲		Information Technology Hardware Refresh - Procurement delays for hardware.
462,218	▲	Karratha Leisureplex - Outdoor Court Shading - Contracts awarded, payment pending construction milestone.	
376,090	▲		Parks & Gardens - Effluent Reuse System (ERS) Upgrade - Delays to contractors completing work.
356,799	▲	Strategic Projects & Infrastructure - Millars Well Oval (KRMO) Redevelopment - Contract awarded, payment pending design documentation milestone.	
347,000	▲	The Quarter - Costs for Capital improvements have been allocated to expense account. A journal will be completed to move to capital account.	
342,270	▲		Staff Housing Improvements - Delayed until 2024/25 financial year.
314,464	▲		Karratha Airport - Awaiting finalisation of Carpark Equipment Replacement Project & arrival of replacement Display Screens.
289,636	▲		Project & Infrastructure - Lot 7020 Development - Design tender awarded, pending design documentation milestone.
226,024	▲		Parks & Gardens - Fleet - Purchase of 2 Trucks has been delayed until the 2024/25 Financial Year.
200,000	▲		Operation Centre - Building Maintenance - Delayed until 2024//25 financial year.
175,000	▲		Community Facilities - Karratha Leisureplex projects delayed due to contractor availability.
175,000	▲		Parks & Gardens - Softfall Replacement - Works not started Due to start in July 2024.
125,000	▲		Parks & Gardens - Streetscape Enhancement - Delays to works starting. RFQ awarded and works starting August for Tree Planting of Rosemary Road
112,887	▲	Karratha Lesuireplex - Works Completed awaiting final invoices.	
71,401	▲	Parks & Gardens - Playground Replacement/ Upgrade - Works completed and invoiced for Miles Loop and Smith Delambre playground. Delays to Kevin Richards playground works and invoices received for works delayed.	
61,108	▲	Project & Infrastructure - Hancock Way - 6 Houses Construction - Contract awarded, payment pending construction milestone.	
59,499	▲		Parks & Gardens - Wickham Oval Renovation - Delays in consulting and completing works due to extensive internal discussions and involvement with RIO Tinto for funding. Works back on schedule now
50,551	▲	Infrastructure Projects - Footpath Lighting Program - Contract awarded, payment pending construction milestone.	
7,657,211	▲	Positive Variances	
(79,995)	▼		Hampton Oval & Dampier Foreshore - Exercise equipment - Project delayed due to finalising installation design.
(79,995)	▼	Negative Variances	
7,577,216	▲	Net Positive Variances Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances	
Amount		Timing	Permanent
19,636,024	▲	Infrastructure Reserve - Awaiting finalisation of end of year reserves reconciliation and transfer. In addition, inception of new Reserves ledger/entity has reported interest and transfers in a new format to be incorporated into future reporting	
6,790,350	▲	Aerodrome Reserve -Awaiting finalisation of end of year reserves reconciliation and transfer. In addition, inception of new Reserves ledger/entity has reported interest and transfers in a new format to be incorporated into future reporting	

4,760,496	▲	Partnership Reserve - Awaiting finalisation of end of year reserves reconciliation and transfer. In addition, inception of new Reserves ledger/entity has reported interest and transfers in a new format to be incorporated into future reporting.	
3,512,600	▲	Waste Management Reserve - Awaiting finalisation of end of year reserves reconciliation and transfer. In addition, inception of new Reserves ledger/entity has reported interest and transfers in a new format to be incorporated into future reporting.	
63,779	▲	Employee Entitlements Reserve - Awaiting finalisation of end of year reserves reconciliation and transfer. In addition, inception of new Reserves ledger/entity has reported interest and transfers in a new format to be incorporated into future reporting.	
34,763,249	▲	Positive Variances	
0	▼	Negative Variances	
34,763,249	▲	Net Positive Variances Attributable to Material Items	