

# City of Karratha

## Variance Commentary

As at 31 January 2025

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
2,740,520	▲	Fees & Charges		Waste Management - Higher than anticipated income from contaminated and liquid waste disposal. Will be adjusted at Q2 budget review.
913,538	▲	Operating Grants		Engineering Services - Coolawanya & De Witt Intersection Direct Grants received earlier than anticipated.
237,936	▲	Interest		Interest Income exceeds previous estimates due to higher interest rates, by end of financial year these will taper off as interest rates decline.
195,675	▲	Fees & Charges		Airport - Growth in passenger numbers, increased flights and deployment of larger aircraft has led to an increase in revenue.
139,840	▲	Fees & Charges		Airport - Increased passenger numbers are having a positive impact on car park revenue.
57,664	▲	Fees & Charges		Airport - Tenants power consumption is higher than anticipated for Nov & Dec 2024.
55,536	▲	Fees & Charges		REAP - Increase in Bar & Kiosk sales due to increased number of events, adjusted for at Q2 budget review.
<b>4,340,709</b>	▲		<b>Positive Variances</b>	
(3,045,361)	▼	Operating Grants		Financial Services - Change in Accounting policy for FAGS recognition. Adjusted at Q2 budget review
(777,895)	▼	Rates		Rates - Adjustment to correct variance at Q2 budget review
<b>(3,823,256)</b>	▼		<b>Negative Variances</b>	
<b>517,453</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
369,723	▲	Other Expenses	City Growth - Grants received/awarded are less than forecast. Also some awarded payments have been delayed due to funding agreements not being processed as quickly as expected.	
263,084	▲	Materials & Contractors	City Growth - Economic Development Initiatives - These works are underway, however the contractors have not sent invoices for payment.	
245,220	▲	Materials & Contractors	Sanitation - Delays in invoices being received for multiple business units.	
224,532	▲	Materials & Contractors	Waste Services - Waste Collection - delays in invoice being received.	
205,228	▲	Materials & Contractors	Engagement & Partnerships - Community Development - Project commencement delayed. Expected in February/March 2025.	
173,336	▲	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.	
124,500	▲	Materials & Contractors	Operations - Footpath & Kerb Maintenance - Project commencement had been delayed but is now in progress.	
100,059	▲	Materials & Contractors	Waste Service - Landfill Cell Design - Expenditure will be incurred in February/March.	
100,000	▲	Materials & Contractors	Operations - Unsealed Rural Road Maintenance - Still reviewing and planning for works which will now be in FYQ4 due to weather.	
88,946	▲	Materials & Contractors	Engagement & Partnerships - Community Development - Reimbursement Scheme - Some applications pending further information/investigation.	
85,244	▲	Materials & Contractors		Building Maintenance - KLP - Delays in invoices being received for planned maintenance.

83,014	▲	Materials & Contractors	Waste Services - Airport Waste Water Treatment Screw Screen - Expenditure to be transferred to capital account.	
80,000	▲	Materials & Contractors	Operations - Dampier Drainage Scheme Maintenance - Delays due to ACH approvals for works. Works have now started.	
80,000	▲	Depreciation	Depreciation - Minor variances across cost centres due to timing of capitalisations.	
63,275	▲	Utilities	Karratha Airport - Higher Water cost budgeted due to previous water leaks. Budget to be amended down at the Q2 Budget review.	
54,164	▲	Utilities	WRP - Electricity charges, invoices not yet received.	
50,724	▲	Utilities	Karratha Airport - Electricity charges, invoices not yet received.	
347,881	▲	Insurance	Insurance - Minor variances across cost centres, adjusted at Q2 budget review	
<b>2,738,928</b>	▲		<b>Positive Variances</b>	
(171,447)	▼	Materials & Contractors		The Quarter - Building Maintenance - Overspend due to unforeseen maintenance work on chillers.
(67,377)	▼	Materials & Contractors		Parks & Gardens - Increase in materials due to hiring of vehicles, reactive reticulation repairs. Adjusted at Q2 budget review.
<b>(238,824)</b>	▼		<b>Negative Variances</b>	
<b>2,500,104</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Inflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
(1,071,482)	▼	Non Operating Grants	Strategic Projects & Infrastructure - Coolawanyah & Dewitt Road intersection reconstruction - LRCIP Phase 4 Part A grant income. Part B to be adjusted at Q2 budget review.	
(535,500)	▼	Proceeds from Disposal of Assets	Proceeds on Sale of Land - Remaining lots still to be sold in Bulgarra.	
<b>(1,606,982)</b>	▼		<b>Negative Variances</b>	
<b>(1,606,982)</b>	▼		<b>Net Negative Variance Attributable to Material Items</b>	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
595,898	▲	Buildings	Building Maintenance - KLP - Project commencement delays.	
396,329	▲	Infrastructure	Projects & Infrastructure - Kevin Richard Memorial Oval (KRMO) - Oval playing surface lighting and pole upgrade - Contract awarded, payment pending construction milestone.	
394,136	▲	Work in Progress Infrastructure	Technical Services - King Bay Road culvert replacement - On track - Final payment to be completed by February 2025.	
314,117	▲	Furniture & Equipment	Information Technology - Hardware - Purchase of laptops, monitors and accessories delayed due to programmed phasing of works.	
256,255	▲	Furniture & Equipment	Community Facilities - Karratha Leisureplex court resurficing project delayed due to contractor availability.	
226,375	▲	Infrastructure	Projects & Infrastructure - Kevin Richard Memorial Oval (KRMO) - Multi-use Hardcourts & Lighting- Contract delayed due to contractor availability.	
219,040	▲	Infrastructure	Operations - Kerb renewals - Invoices approved early February.	
196,078	▲	Buildings	Projects & Infrastructure - Hancock Way - 6 House Construction - Contract awarded, payment pending construction milestone.	
188,045	▲	Infrastructure	Engineering Services - Storm water structure projects - On track - Cossack culvert (completed) and Crane Circle culvert constructions in progress.	
100,000	▲	Infrastructure	Parks & Gardens - Park Enhancement - Delays to contractors starting works.	
81,000	▲	Infrastructure	Projects & Infrastructure - Roebourne Streetscape Masterplan - Contract awarded, program delayed until April 2025.	

67,585	▲	Infrastructure	Building Maintenance - KTA Water mains pipe replacement - Stage 3 & 4 works came in under budget. Underspend to be re-cashflowed at Q2 review as part of stage 5 works.	
65,519	▲	Infrastructure	Operations - Road reseal program - Ongoing. Contractor behind completing in February.	
65,216	▲	Work in Progress Equipment	Karratha Airport - Delay in additional CCTV cameras being installed, will occur in Qtr 4.	
50,045	▲	Infrastructure	Parks & Gardens - ERS (Effluent Reuse System) - Awaiting invoices and quotes for further works.	
50,000	▲	Infrastructure	Karratha Airport - Airside Upgrade - Delay in apron lighting inspection and report due to consultant availability.	
49,447	▲	Infrastructure	Operation - Ten year footpath plan - Project delayed due to contractors availability.	
<b>3,315,084</b>	▲		<b>Positive Variances</b>	
(174,392)	▼	Plant		Fleet & Plant - New equipment capitalised. Budget to be moved to correct phasing at Q2 budget review.
(72,428)	▼	Equipment		Waste Service - Waste Water Treatment Plant - Airport Waste Water Treatment Plant screw screen expenditure capitalised. Budget to be moved to correct account at Q2 budget review.
(68,469)	▼	Equipment		Karratha Airport- Upgrades to the PA system and the purchase of a new ETD for security screening have been completed. These costs will be adjusted in the Q2 budget review.
(57,355)	▼	Plant		Waste Services - Fleet - New equipment capitalised. Budget to be moved to correct phasing at Q2 budget review.
<b>(372,643)</b>	▼		<b>Negative Variances</b>	
<b>2,942,441</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
3,957,333	▲	Reserves	Transfer to Reserves - Transfer to Reserve of funds received pending reconciliation.	
<b>3,957,333</b>	▲		<b>Positive Variances</b>	
<b>3,957,333</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	