

City of Karratha

Variance Commentary

As at 31 December 2023

Revenue -Operating Activities	Material Variance		Significant Items	
Fees & Charges	-	1,787,213	904,438	▲ Waste Management - Increase in Commercial & Industrial, Construction & Demolition and Liquid Waste streams
			251,017	▲ Airport - Timing - Annual Adjustment of Lagardere rent, invoiced in October, budgeted in February
			217,262	▲ REAP - Increase in income due to high frequency of Venue Hire bookings such as Dance Concerts, high schools, and corporate bookings
			118,292	▲ Karratha Leisureplex - Increase in Hire and programme attendance due to School holidays and Rio Tinto funding provided
			115,579	▲ Human Resources - Increase in Rent Deductions via payroll
			91,869	▲ Technical Services - Large payment for supervision fees for Madigan Road subdivision
			(114,916)	▼ Town Planning - less Development Applications received than anticipated
			1,583,542	▲ Net Positive Variance
Operating Grants, Subsidies & Contributions	-	(1,108,196)	1,550,000	▲ Partnerships – funding to be allocated to Community Facilities
			(60,000)	▼ Engagement & Partnerships - Karratha SES Building grant not proceeding - to be amended at March Review
			(65,688)	▼ Airport - Budgeted RASI Fund Contributions to Airlines for \$88,536 however only \$22,848 was agreed
			(188,300)	▼ Engagement & Partnerships - Duplication of Partnership income - to be amended at March Review
			(309,500)	▼ Community Programs - Timing - Contributions yet to be received from Rio Tinto for The Base and Youth Services
			(341,400)	▼ Community Programs - Awaiting Partnership contributions for Red Earth Arts Festival, Cossack Art Awards, NAIDOC Week, Arts Development
			(1,569,610)	▼ Community Facilities - Timing - Rio funding yet to be allocated
			(984,498)	▼ Net Negative Variance
Interest Earned	22.95%	548,570	559,813	▲ General Revenue - Interest received exceeded expectations due to high interest rates and higher bank balance due to rates receipts and low capital expenditure
			559,813	▲ Net Positive Variance
Other Income	111.65%	179,473	226,000	▲ Fleet & Plant - Budget to be adjusted in March review
			226,000	▲ Net Positive Variance
Expenditure -Operating Activities	Material Variance		Significant Items	
Employee costs	-	(963,521)	516,234	▲ Town Planning, Airport, Wickham Recreation Facility, Communities and Partnerships - Staff Vacancies
			(1,445,567)	▼ Employment Costs - Timing - Overheads allocations to be processed
			(929,333)	▼ Net Negative Variance
Materials & Contracts	-13.43%	2,244,654	722,870	▲ Operations - Footpaths & Road Reseals - works had been delayed, have since commenced and awaiting invoices to be submitted. Concrete RFT out to market
			577,220	▲ Building Maintenance - Works delayed - Airport Capital Buildings, to commence Jan-2024
			461,769	▲ 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)
			443,044	▲ Community Facilities - Delays in small infrastructure projects relating to Wickham Recreation Precinct, Scoreboard and Karratha Leisureplex
			295,610	▲ Parks & Gardens - Karratha Open Spaces, Streetscapes & Reticulation works delayed due to Aboriginal & Cultural Heritage (ACH) Restrictions
			190,135	▲ Fleet & Plant - Fuel price fluctuation less than budgeted
			108,125	▲ Waste Services - UAV (Unmanned Aerial Vehicle) Surveys underway in Jan-2024
			(179,771)	▼ Building Maintenance - Karratha Leisureplex - Expenditure due to significant investigative works for shade sails
			(183,729)	▼ Building Maintenance - Karratha Airport - Unforeseen reactive works to hydraulic and electrical services
			(410,521)	▼ Timing - ABC's yet to be allocated
			2,024,752	▲ Net Positive Variance
Utilities	-	(113,885)	(56,793)	▼ Parks & Gardens - Water usage higher than expected
			(56,793)	▼ Net Negative Variance
Depreciation	-10.23%	1,571,262	1,364,211	▲ Depreciation - Timing adjustment depreciation allocations
			1,364,211	▲ Net Positive Variance
Insurance Expenses	-	257,683	211,433	▲ Insurance - Timing adjustment insurance allocations. Invoices less than anticipated for performance based adjustments
			211,433	▲ Net Positive Variance
Other Expenses	-18.46%	223,175	174,163	▲ City Growth - Economic Development Grant - KDCCI grant agreement still being processed
			174,163	▲ Net Positive Variance
Inflows - Investing Activities	Material Variance		Significant Items	

Non Operating Grants, Subsidies & Contributions	-	(165,682)	(50,000)	▲	Operations - Footpath & Kerb Maintenance grant not yet received
			(50,000)	▲	Net Positive Variance
Proceeds From Disposal of Assets	-	(318,500)	(193,955)	▼	Proceeds on Asset Disposal - Waste Management and Parks & Gardens - Vehicles awaiting acution to realise assets, expected Mar-2024
			(193,955)	▼	Net Negative Variance
Outflows - Investing Activities	Material Variance		Significant Items		
Purchase of Assets - Buildings	-14.99%	735,582	577,220	▲	Karratha Airport - works delayed, due to commence Jan-2024
			57,503	▲	Karratha Leisureplex - works delayed due to materials availability
			634,723	▲	Net Positive Variance
Purchase of Assets - Equipment	-127.07%	432,905	461,769	▲	Karratha Airport - Delays to FIDS project (Jan-24) and BHS Software project (4th quarter)
			461,769	▲	Net Positive Variance
Purchase of Assets - Furniture & Equipment	-140.94%	626,530	517,016	▲	Information Technology Hardware Refresh - Procurement delays for hardware and CCTV
			517,016	▲	Net Positive Variance
Purchase of Assets - Plant	-20.79%	312,679	215,456	▲	Karratha Leisureplex - smaller infrastructure projects delayed to second half of the year
			215,456	▲	Net Positive Variance
Purchase of Assets - Infrastructure	-51.74%	1,441,790	655,686	▲	Footpaths & Road Reseals - works had been delayed, have since commenced and awaiting invoices to be submitted. Concrete RFT out to market
			286,730	▲	Parks & Gardens - Cemetery, Streetscapes, Wickham Oval & Reticulation works delayed due to Aboriginal & Cultural Heritage (ACH) Restrictions
			150,000	▲	Roebourne Streetscape Masterplan - Payment pending completion of milestones
			100,000	▲	KLP Oval Lighting - Lighting control purchases delayed to second half of year
			1,192,416	▲	Net Positive Variance
Outflows - Financing Activities	Material Variance		Significant Items		
Tsf to Partnership Reserve	-94.34%	4,174,407	4,675,113	▲	Partnership Reserve - Allocations adjusted based on updated reserve balances \$4M received from RIO to be transferred
			4,675,113	▲	Net Positive Variance