

City of Karratha

Variance Commentary

As at 31December 2024

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
2,408,981	▲	Fees & Charges		Waste Management - Higher than anticipated income from contaminated and liquid waste disposal. Will be adjusted at Q2 budget review.
172,361	▲	Fees & Charges		Karratha Leisureplex - Increase in income due to higher attendance rate.
146,974	▲	Interest		Interest Income exceeds previous estimates due to higher interest rates, by end of financial year these will taper off as interest rates decline.
135,722	▲	Fees & Charges		Airport - Increased passenger numbers are having a positive impact on car park revenue.
61,804	▲	Fees & Charges		REAP - Increase in bar & kiosk sales due to increased number of events.
51,290	▲	Fees & Charges		Airport - Growth in passenger numbers, increased flights and deployment of larger aircraft has led to an increase in revenue.
2,977,132	▲		Positive Variances	
(3,045,361)	▼	Operating Grants		Financial Services - DGSL Grant revenue recognition adjusted as per 23/24 audit. To be adjusted at Q2 budget review
(659,045)	▼	Rates		Rates - Adjustment to correct variance at Q2 budget review
(3,704,406)	▼		Negative Variances	
(727,274)	▼		Net Negative Variance Attributable to Material Items	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
569,759	▲	Materials & Contractors	Information Services - IT Software prepayments to be expensed throughout the year. Budget phasing figures to be amended at Q2 review.	
268,381	▲	Insurance	Insurance - 2nd instalment processed earlier than anticipated.	
263,084	▲	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.	
159,271	▲	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.	
144,044	▲	Materials & Contractors	Waste Services - November Waste Collection - delays in invoice being received.	
124,500	▲	Materials & Contractors	Operations - Footpath & Kerb Maintenance - Project commencement had been delayed but is now in progress.	
116,000	▲	Materials & Contractors	Engagement & Partnerships - Community Development - Project commencement delayed. Expected in February/March 2025.	
103,562	▲	Materials & Contractors	ERP Project Office - Annual subscription prepayments to be expensed throughout the year.	
103,320	▲	Materials & Contractors	Waste Services - Landfill cell design yet to be awarded. Quote released in January.	
100,000	▲	Materials & Contractors		Operations - Unsealed Rural Road Maintenance - Still reviewing and planning for works which will now be in FYQ4 due to weather.
91,700	▲	Materials & Contractors	Building Maintenance - KLP - Delays in invoices being received for planned maintenance.	
80,000	▲	Materials & Contractors	Operations - Dampier Drainage Scheme Maintenance - Delays due to ACH approvals for works. Works have now started.	
77,944	▲	Utilities	Karratha Airport - Electricity charges, invoices not yet received.	

69,295	▲	Materials & Contractors	Waste Services - Wickham Transfer - Brida contract - delay in invoices being received.	
67,042	▲	Utilities	Depot Services - Street Lights - invoices not yet received.	
65,000	▲	Materials & Contractors	Approvals & Compliance - Consultant engaged and working on Coastal Hazard Risk and Adaptation Plan. This will get back on track with budgeting over coming months. This work is funded by State Government funding.	
52,092	▲	Utilities	Karratha Airport - Higher Water cost budgeted due to previous water leaks. Budget to be amended down at the Q2 Budget review.	
2,454,993	▲		Positive Variances	
125,767	▼	Employee Costs	Employment Costs - Due to staff vacancies in multiple departments.	
(100,932)	▼	Materials & Contractors		Karratha Airport - Building Maintenance - Increase in reactive maintenance.
24,835	▼		Negative Variances	
2,479,828	▲		Net Positive Variance Attributable to Material Items	

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.	
(220,500)	▼	Proceeds from Disposal of Assets	Proceeds on Sale of Land - Remaining lots still to be sold in Bulgarra.	
(1,291,982)	▼		Negative Variances	
(1,291,982)	▼		Net Negative Variance Attributable to Material Items	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
596,542	▲	Buildings	Building Maintenance - KLP - Project commencement delays.	
450,000	▲	Infrastructure	Operations - Kerb renewals - Invoices approved early January.	
402,950	▲	Infrastructure	Projects & Infrastructure - Kevin Richard Memorial Oval (KRMO) - Oval playing surface lighting and pole upgrade - Contract awarded, payment pending construction milestone.	
311,961	▲	Infrastructure	Operation - Ten year footpath plan - Project delayed due to contractors availability.	
256,255	▲	Furniture & Equipment	Community Facilities - Karratha Leisureplex court resurficing project delayed due to contractor availability.	
224,136	▲	Work in Progress Infrastructure	Technical Services - King Bay Road culvert replacement - On track - Final payment to be completed by February 2025.	
203,800	▲	Infrastructure	Projects & Infrastructure - Roebourne streetscape masterplan - Contract awarded, program delayed until April 2025.	
188,045	▲	Infrastructure	Technical Services - Storm water structure projects - On track - Cossack culvert (completed) and Crane Circle culvert constructions in progress.	
182,725	▲	Buildings	Projects & Infrastructure - Hancock Way - 6 house construction - Contract awarded, payment pending construction milestone.	
68,485	▲	Infrastructure	Building Maintenance - KTA Water mains pipe replacement - Stage 3 & 4 works came in underbudget. Underspend to be re-cashflowed at Q2review as part of stage 5 works.	
66,045	▲	Furniture & Equipment	Information Technology - Hardware - Purchase of laptops, monitors and accessories delayed due to programmed phasing of works.	
65,519	▲	Infrastructure	Operations - Road reseal program - Ongoing. Contractor behind completing in January.	
3,016,464	▲		Positive Variances	
(174,392)	▼	Plant		Fleet & Plant - New equipment capitalised. Budget to be moved to correct phasing at Q2 budget review.
(117,355)	▼	Plant		Waste Services - Fleet - 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.

(72,297)	▼	Plant		Approvals & Compliance - Fleet - Purchase new vehicle capitalised. Budget to be moved to correct phasing at Q2 budget review.
(59,286)	▼	Investment Property		The Quarter BMS upgrade transferred from operational account due to capital in nature. Will be adjusted at Q2 budget review.
(495,757)	▼		Negative Variances	
2,520,706	▲		Net Positive Variance Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
(80,551)	▼	Reserves	Transfer to Reserves - The new Reserve process doesn't account for transfers as they're applied directly to the reserve. Interest isn't transferred until year end so will show a variance.	
(80,551)	▼		Negative Variances	
(80,551)	▼		Net Negative Variance Attributable to Material Items	