



**TOWN OF PORT HEDLAND
MATERIAL VARIANCE REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

Legend:

↑	Over Budget
↓	Under Budget

OPERATING EXPENDITURE (Based on the YTD Budget by Program)

Program	Variance		↑ or ↓	Comment
	%	\$000'S		
General Purpose	49%	42	↓	Written down value of assets sold and admin allocation journals have not been processed YTD. This will be completed in September.
Governance	266%	(1,861)	↑	Incorrect allocation of employee costs due to the change of the GL structure. Corporate Services employee costs have all been allocated here and need to be reallocated to Program: Other Property and Services.
Law, Order & Public Safety	42%	293	↓	Employee costs slightly lower than expected YTD by \$50k. This is due to the change of the COA and reallocation to occur. Materials & Contracts under budget mainly in CCTV contractors and plant overhead recovery in Animal Control Operations. Depreciation expense YTD has not yet been applied.
Health	51%	172	↓	Re-allocation of Materials & Contractors is yet to occur with the COA change. Underspent by \$47K. Admin allocation journal has not been applied YTD – to be amended in September. Depreciation expense YTD has not yet been applied.
Education & Welfare	7%	64	↑	Employee costs lower than expected YTD by \$190k. This is due to the change of the COA and reallocation to occur. Application of North West Fest expenditure of \$500K to be reallocated to Recreation & Culture. Admin allocation journal has not been applied YTD – to be completed in September. Depreciation expense YTD has not yet been applied.
Community Amenities	55	1,145	↓	Employee costs lower than expected YTD by \$90k. This is due to the change of the COA and reallocation to occur. Materials & Contracts underspent by \$468K mainly in Landfill plant overhead recovery, contract service providers and return on investment to Muni. Admin allocation journal has not been applied YTD – to be completed in September. Depreciation expense YTD has not yet been applied.
Recreation & Culture	47	2,610	↓	Employee costs lower than expected YTD by \$200k. This is due to the change of the COA and reallocation to occur. Materials & Contracts underspent by \$800K across Sportsgrounds and Facilities maintenance and administration costs due to the timing of budget adoption. Other Expenditure is underspent by \$327K mainly in NWF Contribution payments, and YMCA payments for FMG memberships. Admin allocation journal has not been applied YTD – to be completed in September. Depreciation expense YTD has not yet been applied – this has a large impact here of approx. \$740K underspend.
Transport	48	200	↓	Employee costs lower than expected YTD by \$270k. This is due to the change of the COA and reallocation to occur. Materials & Contractors significantly underspent, mainly in Airport Projects \$2.6M and Infrastructure Maintenance \$275K. Admin allocation journal has not been applied YTD – to be completed in September. Depreciation expense YTD has not yet been applied – this has a large impact here approx. \$920K underspend.
Economic Services	52	200	↓	Employee costs lower than expected YTD by \$60k. This is due to the change of the COA and reallocation to occur. Admin allocation journal has not been applied YTD – to be completed in September.
Other Properties & Services	480	1,462	↑	Employee costs are to be allocated from Governance as part of the COA reallocation.
				Administration Allocation journal has not been applied for 2016/17 to date. Will be completed in September.

OPERATING INCOME (Based on the 12 month Budget by Nature & Type)

Nature & Type	Variance		↑ or ↓	Comment
	%	\$000'S		
Rates	101	305	↑	Rates raised in September for the full year.
Operating Grants, Subsidies & Contributions	10	7,653	↓	Payments from grant providers are received quarterly or upon full acquittal of the related project.
Fees & Charges	31	8,519	↓	Fees & charges are received throughout the year as services are provided.
Interest Earnings	1	7484	↓	Due to staggering maturities on investments, interest earnings are received at various times throughout the financial year. Showing as over 100% variance due to accrued income from interest revenue.
Other Revenue	50	1,098	↓	Other revenue is generally made up of reimbursements received from other organisations and community groups throughout the financial year.

OTHER ITEMS (Based on the 12 month budget)

Nature & Type	Variance		↑ or ↓	Comment
	%	\$000'S		
Depreciation	75	10378	↓	2015/16 EOY has not been finalised therefore YTD budget amount has been used to reflect an accurate closing balance. This will be adjusted once EOY 2015/16 is finalised.
Proceeds from Disposal of Assets	0	0	-	Proceeds are yet to be received for 2016/17.
Transfer to Reserves	99	12,674	↓	Reserve transfers are processed as required.
Transfers from Reserves	100	32,095	↓	Reserve transfers are processed in line with actual expenditure as per the adopted budget.



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CAPITAL EXPENDITURE (Based on the 12 month Budget by Capital Project)

The Capital Works Program has an annual adopted budget of \$21.429M. Year to date, actual expenditure is \$1.153M. Commentary has been provided below on the progress of each individual Capital project.

Project	Comment
GENERAL	
Marina Waterfront Development	Currently in Business Planning stages.
South Hedland Aquatic Centre Works: Replace filters, sink wastewater tank, replace pipework, replace pumps and install UV filters for leisure pool	Design contract expected to be awarded 17/10/16 followed by construction in early 2017.
Faye Gladstone Netball Courts Clubroom Upgrade	Seeking additional funding for project awaiting response donor organisation.
Diesel Generators for Civic Centre, Depot, Landfill and Evacuation Centre	Scope of work currently being defined.
Phase 2 Digital - Complete installation of ToPH digital radio system in vehicles and heavy equipment.	Project in Execution phase and on track.
South Hedland Aquatic Centre: Install accessibility toilets and change room	Project is fully externally funded by Changing Places. Currently working the design into a scope of work.
Marrapikurinya Park	Access consultants engaged to review designs. Scope of work currently being defined.
Gratwick Pool Remedial Works	Remedial works completed. Construction deferred to 16/17.
Civic Centre HVAC System and Ducting Renewal; Install Rood Space Access Walkway	Contractors for Walkway works mobilised to site and have commenced works. Concept design report for the remaining works due mid October.
Minor Plant Replacement	Project in Execution phase and on track.
SAM Speed Alert Sign Board	Project in Execution phase and on track.
Civic Centre: Asset Management Plan Critical Obligations and OHS	Scope of work being developed.
Building Renewal and Upgrade program	Project in Execution phase and on track.
Staff Housing Renewal and Upgrade Program	Scope of work currently being reviewed.
Matt Dann Theatre & Cinema: Venue Improvement	Project consists of 13 separate items of work. 10 out of 13 items procured.
GIS Graffiti Module	Project in Execution phase and on track.
South Hedland Cemetery Upgrade	Scope of work currently being defined.
Colin Matheson and Kevin Scott Oval Scoreboard Replacement	Contract currently being finalised ready for award.
The Hub Business Case: Combine Multiple Facilities to Single Location	In negotiation with stakeholders.
Kingsford Smith Business Park Landscaping	Scope of work to be finalised and approved ready for Request for Tender.
Finucane Island Boat Ramp	Project study in final stages of closing out.
Caravan Route and Boundary Signage	Seeking appropriate approvals for MRWA prior to installation.
Marquee Park Compliance & Upgrade Softfall	Contractors have mobilised. Works are currently being undertaken. Expect practical completion by end of October.
ICT Hardware Renewal & Upgrades	Project in Execution phase and on track.
Stage 2 Telecommunications Renewal & Upgrade Project	Project in Execution phase and on track.
ICT Implementation Plan Projects	Project in Execution phase and on track.
Upgrade of Kevin Scott Oval / High School Reuse Tanks	Scope of work currently being reviewed. RFT proposed by end of calendar year.
Upgrade CCTV Camera Network to include Night Vision	Project in Execution phase and on track.
Coastal Hazard Management Plan (Marine Protection Study)	Scope of work currently being reviewed.
Wanangkura Stadium Protective film on Glazing	Scope of work currently being reviewed.
Catamore Court Construction Contract Finalisation	Currently finalising contract.
Plant Replacement Program	Project in Execution phase and on track.
Community Chest Fund 2016: Tourism Signage	Project awarded for for the design, construct and installation.
ROADS	
Pinga Street - Rehabilitation of Existing Pavement	Tender for construction advertised closing 18/10/16.
Pinga Street and Cajarina Road Drainage Works	Tender for construction advertised closing 18/10/16.
South Headland Aquatic Centre Car Park Road Reseal Program	Civil Design being updated. Scope of work currently being reviewed.
McGregor, Athol, Cooke Point Roundabout Rehabilitation	Project is currently in design stages.
Wise Terrace	Project closed out.
Yandeyarra Road	Awaiting appropriate permits to commence works.
Pippingarra Road Resheeting	Scope of work currently being reviewed.
South Hedland Town Centre Stage 2 Landscaping	Works on schedule to keep to proposed practical completion scheduled 20/10/16.
Wedgfield Road & Drainage Strategy	Scope of work currently being reviewed.
Shoata Road (Design)	Detailed design currently being undertaken.
Drainage Construction Wanangkura Stadium & Faye Gladstone Netball Courts	Designs are currently being completed by the consultants.
Rebuild Flood Pumps Stage 1	Scope of work currently being defined.
Unsealed Road Resheeting Program	Scope of work currently being reviewed.
Kennedy St / Parker St Intersection	A peer review on scope of work to be scheduled end of October.
WASTE	
Waste Landfill Upgrades Tip Shop - Design and Construct	Contract for design awarded.
Waste Landfill Upgrades Transfer Station : Design and Construct	Contract for design awarded.



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Land Fill Crib Room (Including Minor Capital Works): Construct	Detailed design currently being reviewed followed by RFQ/RFT process for construction.
Septage Pond Remedial Works	Works award process underway. Proposed works to commence when ponds are emptied.
South Hedland Water Treatment Plant	Commissioning with live liquor completed on 11/10/16. Samples sent for testing. Once deemed compliant official opening by Towns representative to be
Windblown Litter Solution	Project has been procured. Materials in the process of being ordered.
ICT Hardware Landfill	Project currently being procured.
Central Control Irrigation Waste Water System	Works to commence for final stage in early November.