

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2018

NOTE 13. EXPLANATION OF MATERIAL VARIANCES

Details and explanations of the material variances reflected on the Statement of Financial Activity are provided below as required by Local Government (Financial Management) Regulation 34(1) (d). ▲ ▼

Operating expenditure 10% or \$10,000 by Reporting Program

Income \$100,000 or 10% by Nature or Type

Capital expenditure \$10,000 or 10% by project

All other items \$10,000 or 10% by Nature or Type

Reporting Program	Variance	Variance	Timing/ Var Perma nt	Explanation of Variance
	\$	%		
1 Revenue from operating activities				
1 Operating grants, subsidies and contributions	453,238	23%	▲	Accrual reversal duplicated - journal to be processed in March
1 Interest earnings	(2,531,581)	(59)%	▼	Interest recognised upon maturity of investments; Investments have differing maturity dates therefore full amount of interest has not yet been recognised.
1 Other revenue	(683,267)	(53)%	▼	Variances due to the timing of invoices raised for reimbursements for utilities for staff housing, Wanangkura stadium, Len Taplin, GP Housing, Gratwick Aquatic Centre and SHAC. Invoices to raised for reimbursements.
1 Profit on disposal of assets	1,358,408	1319%	▲	Profit on disposal overstated as the written down value for the sale of the land have not yet been processed.
1 Expenditure from operating activities				
1 General Purpose Funding	217,398	48%	▼	Rates services have been coded in error to Finance - to be journaled to Rates
1 Law, Order, Public Safety	291,572	20%	▼	CCTV Maintenance budget yet to be spent, dependant upon grant funding (-\$90K), Depreciation Adjustments to be calculated (-\$50K)
1 Health	179,002	20%	▼	Employee costs (\$52K) due to vacancy in Health Technician position; (\$75K) Internal allocations journaling - adjusted after last budget review, budget to be adjusted Q3; Interest on loans (-\$13 K) due to timing
1 Education and Welfare	400,725	23%	▼	Utilities (-\$90K) \$40K coded to insurance in error; \$40K due to timing or bill from Horizon Power; (-\$18K) Interest on loans - adjust profiling of JD Hardie interest payments to match twice yearly billing; (-\$31K) Employee costs due to vacancies in positions; (-\$40K) Materials & Contracts - to be spent in coming weeks with Youth week and holiday programs; (-\$58K) Internal allocations journaling - adjusted after last budget review, budget to be adjusted Q3; (-\$98K) - Community donations less than expected but programme may improve with a shift to dedicated positions to focus on grants -(\$30K) on programmes yet to be run
1 Community Amenities	898,274	19%	▼	(\$-105K) Depreciation to be re-calculated and processed; (-\$135) Employee costs reduction in landfill due to vacancies; (\$-94K) Internal allocations journaling - adjusted after last budget review, budget to be adjusted Q3; (-\$120K) Town Planning Projects - invoicing from Consultants is linked to deliverables - likely to be received May 2018 (-\$280K) - Tyre shredding project - works to commence with the appointment of a contractor (-\$155K) Plant journals to be re-calculated and processed
1 Recreation and Culture	1,534,653	11%	▼	(-\$226K) Depreciation to re-calculated and processed; (-\$126K) Employee costs due to vacancies in positions; (-\$38K) Insurance - accrual journals to be processed; (-\$216K) - Internal allocations journaling - adjusted after last budget review, budget to be adjusted Q3; (-\$434K) -Invoicing to be received from facility contract providers; (-\$119) - Parks and Gardens
1 Transport	1,152,106	15%	▼	(-\$200K) - depreciation to be re-calculated and processed;
1 Other Property and Services	(858,527)	189%	▲	(-\$283) Internal allocations journaling - adjusted after last budget review, budget to be adjusted Q3; (+\$692) Internal allocations journaling - adjusted after last budget review, budget to be adjusted Q3.
1 Operating activities excluded from budget				
1 Add back (Profit)/Loss on Asset Disposal	(1,358,408)	1319%	▲	Profit on disposal overstated as the written down value for the sale of the land have not yet been processed.
1 Investing activities				
1 Non-operating grants, subsidies and contributions	869,324	(27)%	▼	Proceeds received at the completion of projects
1 Proceeds from Disposal of Assets	1,461,376	80%	▲	Additional blocks of land sold at Kingsford Smith Business Park.
1 Land & Buildings				
1 Building Renewal And Upgrade Program	(85,320)	(22)%	▼	Will be ongoing through out the year with completion expected June 2018 - Project at 35% completion.
1 Civic Centre: Asset Management Plan Critical Obligations And				
1 OHS	28,587	28%	▲	Project complete
1 Council Records Storage	7,176	36%	▲	Project in Procurement phase. RFQ submissions to be reviewed and assessed.
1 Faye Gladstone Netball Courts Clubroom Upgrade	(62,641)	(4)%	▼	Project complete
1 JD Hardie Expansion	(16,000)	(80)%	▼	Design being finalised. Project to be completed by June 2018.
1 Port Hedland Community Facilities (Turf Club)	(64,664)	(97)%	▼	Project managers appointed to complete stakeholder engagement, scoping and master planning. Due Q1 2018.
1 South Hedland Aquatic Centre: Install Accessibility Toilets And	(106,577)	(76)%	▼	Additional grant funding sought from WALGA Changing Places Program.
1 South Hedland Civic Facilities Business And Concept Design (The Hub)	0	100%	▲	Grant funding acquittal process for 16/17 funding in progress to release the remaining funds for 17/18. Awaiting confirmation of funding and willingness to progress from Department of Housing to determine whether to proceed to design phase.
1 South Hedland Sports Precinct	33,355	100%	▲	Tender is in market, March to begin project
1 Staff Housing Renewal And Upgrade Program	(95,177)	(41)%	▼	Project is at planning and scoping stage. Will be ongoing through out the year with completion expected June 2018 - at 40% completion
1 Workshop Upgrades	(18,945)	(95)%	▼	Now included with Depot wash down bay
1 Furniture & Equipment				
1 ICT Hardware Renewal & Upgrades	8,807	100%	▲	As per Warranty expiry dates. Project therefore ongoing throughout 2017/18
1 Iphone Replacement	(11,112)	(83)%	▼	Purchased as required throughout this year.
1 ICT Strategy & Outcomes	0	100%	▲	Project yet to start
1 Phase 2 Digital - Installation Of Digital Radio System In				
1 Vehicles And Heavy Equipment	(14,772)	(100)%	▼	Engineer coming on site first week of March this will define the scope for stage 2 (Landfill) coverage.
1 Plant & Equipment				
1 Civic Centre Hvac System And Ducting Renewal; Install Road				
1 Space Access Walkway	105,988	50%	▲	Project complete
1 Plant Replacement Program	(86,980)	(37)%	▼	Footpath sweeper procured with a 3 month build. RFT for Rear Loader Refuse Truck to be released in January 2018, project 55% complete..
1 Portable Lighting Towers	(14,332)	(100)%	▼	Project complete
1 South Hedland Water Treatment Plant	182	108%	▲	Project complete

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Reporting Program	Variance	Variance	Timing/ Var . nt	Explanation of Variance
1 Infrastructure				
1 Carpark Renewal Program	(62,254)	(69)%	▼	Construction planned for March 2018 with close out May 2018. Project completion at 20%.
1 Cassia Primary School Footbridge	(49,384)	(99)%	▼	Project planning and scoping underway, project at 20% completion. Survey planned for March with minor repairs to fix defects April 2018. Seeking further grant funding.
1 Depot Wash-Down Bay, Stores Expansion, Fuel Tanks, Shed, Ya	52,161	100%	▲	Project planning and scoping underway, contract award planned for April 2018 - project 12% complete.
1 Drainage Construction Wanangkura Stadium Faye Gladstone	(155,832)	(76)%	▼	Project is at 30% completion with practical completion expected Apr 2018.
1 Netball Courts	45,280	30%	▲	Works are underway, percentage complete 70%.
1 Drainage Renewal Program				
1 Footpath Construction	77,737	72%		Project planning and scoping underway. Project at 20% completion, practical completion planned for May 2018.
1 Gratwick Aquatic Centre - Remedial Works	(96,223)	(96)%	▼	Project planning and scoping underway. Project commencement May 2018. 5% completion to date, anticipated completion Oct 2018.
1 Intersection - Lukis & McGregor Streets	(28,334)	(56)%	▼	Quotes received in January, site works to commence March 2018 - project at 25% completion.
1 Intersection - Murdoch Drive & Brolga Way	(40,581)	(79)%	▼	Quotes received in January, site works to commence March 2018 - project at 25% completion.
1 Intersection - Murdoch Drive & Masters Way	11,336	100%	▲	Quotes received in January, site works to commence March 2018 - project at 25% completion.
1 Irrigation Inground Renewal - Port Hedland	(18,000)	(100)%	▼	Works awarded. Contractor to provide detail implementation plan. Project 40% complete. Journal to move expenses from operational account.
1 Irrigation Inground Renewal - South Hedland	(41,130)	(42)%	▼	Works awarded. Contractor to provide detail implementation plan. Project 40% complete. Journal to move expenses from operational account.
1 Kevin Scott Irrigation Compound	(6,666)	(100)%	▼	Practical completion February 2018.
1 Line Marking & Traffic Calming	(27,451)	(82)%	▼	Project completion 20%, completion of linemarking and traffic calming works due 27/04/2018.
1 Marina Boating Facility Location Options Investigation	51,488	100%	▲	Awaiting results of community consultation process and government response (due February 2018)
1 Marquee Park Pump Replacement	(5,917)	(30)%	▼	Officers are reviewing quotation pricing to engage contractor by end of April for works to start & complete in May 2018.
1 McGregor, Athol, Cooke Point Roundabout Rehabilitation	7,152	80%	▲	Project complete.
1 North Circular Roundabout Landscape And Intersection				Project at 40% completion with practical completion planned for the end of the financial year. Project delays caused by contractor issues.
1 Upgrades	(193,908)	(97)%	▼	Project complete
1 Pinga St Additional Renewal	(36,434)	(98)%	▼	Project complete
1 Pippingarra Road Resheeting	(25,106)	(84)%	▼	Project complete
1 Playground Renewal Program	(43,679)	(87)%	▼	Execution proposed for 3rd quarter, project at 25% completion, with practical completion expected May 2018.
1 Road Reseal Program	194,603	27%	▲	Project in execution phase, practical completion expected end of May 2018. Project is 80% complete.
1 Shade Structures	(116,666)	(100)%	▼	Shades structures identified. RFT to be drafted. Execution to commence in 3rd quarter - Project at 20% completion with practical completion expected April 2018.
1 South Hedland Skate park Cpted Design Response	(4,977)	(100)%	▼	Sourcing quotes and planned completion date is end of May.
1 Stage 2 Telecommunications Renewal & Upgrade Project	(33,332)	(100)%	▼	
1 Unsealed Road Resheeting Program	(174,503)	(50)%	▼	Resheeting work should be complete by the end of March, project at 75% completion
1 Wandrra Project	(549,400)	(61)%	▼	Execution works commenced,percentage completed 65%, close out anticipated June 2018.
1 Yandeyarra Road	(14,685)	(98)%	▼	Project complete
1 Financing activities				
1 Proceeds from self supporting loans	38,972	61%	▲	Review of timing of loan repayments to budget profiling to be undertaken