

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 March 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 %	Var .	Timing/ Permanent	Explanation of Variance
Revenue from operating activities					
Operating grants, subsidies and contributions	(597,547)	(29)%	▼		(\$348) Mia Mia contribution not received, Income for Local road grant and General purpose grant recognised in 16/17 year per auditor instructions.
Interest earnings	(2,934,968)	(61)%	▼		Interest recognised upon maturity of investments; Investments have differing maturity dates therefore full amount of interest has not yet been recognised.
Other revenue	(770,228)	(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.
Profit on disposal of assets	1,335,446	1153%	▲		Profit on disposal overstated as the written down value for the sale of the land have not yet been processed.
Expenditure from operating activities					
General Purpose Funding	251,154	49%	▼		Landgate charges for revaluations not yet received
Law, Order, Public Safety	344,050	20%	▼		CCTV Maintenance budget yet to be spent, dependant upon grant funding (-\$90K), Depreciation Adjustments to be calculated (-\$56K) Depot yet to charge for use of water cart and other equipment for Fire Mitigation Programme (-\$25K), Fire safety audits - evaluating submissions against an RFQ for the works (-\$25K)
Health	210,807	21%	▼		Employee costs (\$56K) due to vacancy in Health Technician position; (\$47K) Internal allocations journaling - adjusted after last budget review, budget to be adjusted Q3;
Education and Welfare	391,504	21%	▼		Utilities (-\$35K) due to timing of bills from Horizon Power; (-\$56K) Employee costs due to vacancies in positions; (-\$32k) Materials & Contracts - to be spent in coming weeks with Youth week and holiday programs; (-\$47K) Internal allocations journaling - adjusted after last budget review, budget to be adjusted Q3; (-\$131K) - Community donations less than expected now have dedicated positions to focus on grants
Housing	89,005	13%	▼		(\$40K) Employee costs lower due to vacancy in positions
Community Amenities	1,222,561	22%	▼		Depreciation to be calculated and processed (-\$118K); Employee costs (-\$419K) due to vacancies; (-\$152K) Internal allocations journaling - adjusted after last budget review, budget to be adjusted Q3; (-\$133K) Town Planning Projects - invoicing from Consultants is linked to deliverables - likely to be received May 2018 (-\$402K) - Tyre shredding project - works to commence with the appointment of a contractor
Recreation and Culture	2,183,922	13%	▼		(-\$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; (-\$637K) - Invoicing to be received from facility contract providers; (-\$119) - Parks and Gardens
Transport	1,368,206	16%	▼		(-\$219K) - depreciation to be re-calculated and processed; (-\$473k) Plant overhead cost recovery journals processed in April to catch up; (-\$215K labor overheads journals adjustment processed in April) (-\$305) Internal allocations journaling - adjusted after last budget review, budget to be adjusted Q3;
Other Property and Services	(1,204,739)	294%	▼		(\$600K) labor overheads - journalled in April (\$665k) Plant overheads costs recover - journals processed in April
Add back (Profit)/Loss on Asset Disposal	(1,335,446)	1153%	▲		Profit on disposal overstated as the written down value for the sale of the land have not yet been processed.
Investing activities					
Non-operating grants, subsidies and contributions	1,418,474	(15)%	▼		Proceeds received at the completion of projects
Proceeds from Disposal of Assets	1,451,285	79%	▼		Additional blocks of land sold at Kingsford Smith Business Park.
Land & Buildings					
Commercial and Building Renewal and Upgrade program	(101,608)	(22)%	▼		Various renewal works underway for TOPH building assets.
Civic Centre: Asset Management Plan Critical Obligations And Ohs	27,737	24%	▲		Project Complete
Jd Hardie Expansion	(24,000)	(80)%	▼		Design being finalised. Project to be completed by June 2018.
Port Hedland Community Facilities (Turf Club)	(68,997)	(92)%	▼		RFQ closes 16 May. Project to commence late May.
South Hedland Aquatic Centre: Install Accessibility Toilets And Change Room	(50,855)	(32)%	▼		Project Complete
South Hedland Civic Facilities Business And Concept Design (The Hub)	0	100%	▲		RFQ closes 16 May. Project to commence late May.
South Hedland Sports Precinct	(66,645)	(67)%	▼		Tender awarded to Sandover Pinder. Initial project start up meeting commenced. First PSG meeting to occur in May 2018.
Staff Housing Renewal And Upgrade Program	(67,789)	(26)%	▼		Various renewal works underway for TOPH staff housing.
Stores Expansion, Fuel Tanks, Shed, Yard Reconfiguration	6,380	100%	▲		Project planning and scoping underway, contract award planned for April 2018 - project 12% complete.
Land & Buildings Total	(445,619)	(16)%	▼		
Furniture & Equipment					
Ict Hardware Renewal & Upgrades	(66,190)	(88)%	▼		Project ongoing throughout year
Ict Software Landfill	(6,118)	(20)%	▼		Project Complete
Iphone Replacement	(12,778)	(85)%	▼		Ongoing throughout year
Furniture & Equipment Total	(113,779)	(55)%	▼		

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Reporting Program	Variance	Variance	Var .	Timing/ Permanent	Explanation of Variance
Plant & Equipment					
Civic Centre HVAC System and Ducting Renewal	79,442	33%	▲		Project Complete
Large Plant and Light Fleet replacement Program	(203,648)	(58)%	▼		Footpath sweeper procured with a 3 month build. Rear Loader Refuse Truck ready to be procured.
Portable Lighting Towers	(21,498)	(100)%	▼		Project Complete
South Hedland Water Treatment Plant	161	85%	▲		Project Complete
Plant & Equipment Total	(145,418)	(23)%	▼		
Infrastructure					
Carparks Renewal Program	(106,174)	(79)%	▼		Project in Design phase. Awaiting Bill of Quantity.
Cassia Primary School Footbridge	(74,384)	(99)%	▼		PIF completed to undertake works in FY 18/19. Additional funding required.
South Hedland Cemetery Upgrade and Cemetery Masterplan	3,900	100%	▲		Project Complete
Depot wash-down bay - Oily Water Separator – workshop and silt drain work	(139,761)	(72)%	▼		Project in Procurement Phase.
Drainage Construction Wanangkura Stadium & Faye Gladstone Netball Courts	(246,085)	(60)%	▼		Project in Design phase. Construction works proposed for FY 18/19.
Gratwick Aquatic Centre - Remedial Works	(145,078)	(97)%	▼		Project in tendering phase. To be awarded in April.
Intersection - Lukis & McGregor Streets	(50,756)	(67)%	▼		Project in Execution phase.
Intersection – Murdoch Drive & Brolga Way	(90,682)	(88)%	▼		Project in Execution phase.
Intersection – Murdoch Drive & Masters Way	11,704	100%	▲		Project in Execution phase.
Irrigation Inground Renewal - Port Hedland	(22,500)	(100)%	▼		Project in Execution phase
Irrigation Inground Renewal - South Hedland	(53,352)	(49)%	▼		Project in Execution phase
Kevin Scott Irrigation Compound	(9,999)	(100)%	▼		Project Complete
Line Marking & Traffic Calming	(44,117)	(88)%	▼		Project ready to go into Procurement phase.
Marina Boating Facility Location Options Investigation	51,488	100%	▲		Awaiting results of community consultation process and government response (due February 2018)
Marquee Park Pump Replacement	(15,917)	(53)%	▼		Project has been delayed as there has been an administrative error with the RFQ, requiring the project to be re-advertised as an RFT. Currently advertised and awaiting closure.
Mcgregor, Athol, Cooke Point Roundabout Rehabilitation	5,366	50%	▲		Project Complete
North Circular Roundabout Landscape And Intersection Upgrades	(191,228)	(96)%	▼		Project in Execution phase.
Pinga St Additional Renewal	(53,371)	(95)%	▼		Project Complete
Pippingarra Road Resheeting	280,981	624%	▲		Project Completed and in Close Out phase.
Playground Renewal Program	(67,620)	(90)%	▼		Project in Procurement phase. RFQ submissions to be review and assessed.
Sealed Roads Renewal Program	120,743	15%	▲		Project in Execution phase. Phase 2 to be undertaken in April 2018. Project is 85% complete.
Shade Structures	(174,999)	(100)%	▼		RFQ submissions to be reviewed and assessed. To be awarded in April.
South Hedland Aquatic Centre - Work to renew and upgrade to working condition	(228,087)	(15)%	▼		Project Complete
South Hedland Aquatic Centre: Install accessibility toilets and change room	21,839	100%	▲		Project Complete
South Hedland Skatepark Cpted Design Response	(7,477)	(100)%	▼		Project to be combined with I&TS Director larger scope project looking at South Hedland town square planning requirements inclusive of CPTED and security enhancements. Keesha to discuss with Gerard about moving project forward.
Stage 2 Telecommunications Renewal & Upgrade Project	(49,998)	(100)%	▼		Tender due to close soon.
Unsealed Road Resheeting Program	(147,922)	(36)%	▼		Project in Execution phase. Works have coincided with WANDRRA works.
Wandrra Project	(533,161)	(53)%	▼		Rectification works underway and nearing completion.
Yandeyarra Road	(22,185)	(99)%	▼		Project Completed and in Close Out phase.
Infrastructure Total	(1,952,479)	(19)%	▼		
Financing activities					
Proceeds from self supporting loans	50,971	91%	▲		Review of timing of loan repayments to budget profiling to be undertaken
Transfer from Reserves	5,255,708	259%	▲		Reserve transfers processed as expenditure is incurred on projects.
Repayment of Debentures	(200,935)	28%	▲		Review of timing of loan repayments to budget profiling to be undertaken
Transfer to Reserves	272,292	(100)%	▼		Reserve transfers processed towards end of financial year
Amount attributable to financing activities	5,378,035	0%	▼		

Further Comments

Note 2 - Net Current Assets

Note 3 - Capital

Note 4 - Cash

Note 5 - Receivables

Note 6 - Payables

Note 7 - Reserves

Note 8 - Rates

Note 9 - Borrowings

Note 10 - Grants

Note 11 - Budget Amendments

Note 12 - Trust