

City of Karratha

Variance Commentary

As at 28 February 2025

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
3,496,240	▲	Fees & Charges		Waste Management - Higher than anticipated income from contaminated and liquid waste disposal. Will be adjusted at Q2 budget review.
326,355	▲	Interest		Interest Income exceeds previous estimates due to higher interest rates, by end of financial year these will taper off as interest rates decline.
228,096	▲	Fees & Charges		Karratha Leisureplex - Increase in income due to higher attendance rate.
174,155	▲	Fees & Charges		Airport - Growth in passenger numbers, increased flights and deployment of larger aircraft has led to an increase in revenue.
95,197	▲	Fees & Charges		Airport - Increased passenger numbers are having a positive impact on car park revenue.
80,330	▲	Fees & Charges		REAP - Increase in Bar & Kiosk sales due to increased number of events, adjusted for at Q2 budget review.
50,818	▲	Fees & Charges		Airport - Electricity consumption is higher than anticipated and will be adjusted at Q2 budget review.
4,451,191	▲		Positive Variances	
(2,848,991)	▼	Operating Grants		Financial Services - Change in Accounting policy for FAGS recognition. Adjusted at Q2 budget review
(1,000,000)	▼	Operating Grants	Community Facilities - Dampier Community Hub - Rio Contribution expected February received in March.	
(781,345)	▼	Rates		Rates - Adjustment to correct variance at Q2 budget review
(315,000)	▼	Other		Corporate & Commercial - Realisation on Sale of 2 lots in Hancock Way. Only budgeted 1 sale.
(172,675)	▼	Fees & Charges	The Quarter - Tenant occupancy of The Quarter is sitting at 91%.	
(133,332)	▼	Operating Grants		City Growth - Economic Development Initiatives. We continue to chase funding from Housing Support Program. These funds are now with WA Treasury which indicates that payment is imminent.
(5,251,342)	▼		Negative Variances	
(800,151)	▼		Net Negative Variance Attributable to Material Items	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
569,896	▲	Materials & Contractors	Information Services - IT Software prepayments to be expensed throughout the year. Budget phasing figures to be amended at Q2 review.	
320,675	▲	Other Expenses	City Growth - Grants received/awarded are less than forecast. Also some awarded payments have been delayed due to funding agreements not being processed as quickly as expected.	
303,600	▲	Materials & Contractors	Karratha Airport - Security Screening - Route Development consultant commenced later than planned, impacting the timing of expenditure.	
270,165	▲	Insurance	Insurance - Minor variances across cost centres, adjusted at Q2 budget review	
260,384	▲	Materials & Contractors	City Growth - Economic Development Initiatives - Work underway. Invoices have begun coming through. A component of these funds will need to be carried forward to next financial year due to project delays.	
258,728	▲	Materials & Contractors	Engagement & Partnerships - Community Development - Project commencement delays in awarding RFQ contracts.	
240,357	▲	Materials & Contractors	Waste Services - Waste Collection - delays in invoice being received by contractor.	

201,021	▲	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.
198,890	▲	Materials & Contractors	Waste Service -7 Mile Road Maintenance -Rescheduling some site Road Maintenance due to lack of contractor availability.	
166,000	▲	Materials & Contractors	Operations - Footpath & Kerb Maintenance - Project commencement had been delayed but is now in progress.	
164,782	▲	Materials & Contractors	Waste Service -7 Mile Refuse Site Maintenance - Transfer Station Wall repairs not yet completed - expect invoice in April.	
135,424	▲	Materials & Contractors	Sanitation - Delays in invoices being received for multiple business units.	
113,286	▲	Materials & Contractors	Parks & Gardens - Millars Well Oval - Delays of works and delays of invoicing for Turf Renovations and Cricket practice nets.	
109,170	▲	Materials & Contractors	Engagement & Partnerships - Community Development - Reimbursement Scheme - Some applications pending further information/investigation.	
101,463	▲	Depreciation	Depreciation - Minor variances across cost centres due to timing of capitalisations.	
98,411	▲	Materials & Contractors	Building Maintenance - KLP - Delays in invoices being received for planned maintenance.	
88,433	▲	Other Expenses	The Quarter - Savings have been made in outgoings due to decreased expenditure.	
82,860	▲	Materials & Contractors	Waste Services - Airport Waste Water Treatment Screw Screen - Expenditure to be transferred to capital account at Q2 budget review.	
80,171	▲	Materials & Contractors	Operations - Unsealed Rural Road Maintenance - Still reviewing and planning for works which will now be in FYQ4 due to weather.	
80,000	▲	Materials & Contractors	Operations - Dampier Drainage Scheme Maintenance - Delays due to ACH approvals for works. Works have now started due to be completed by May.	
75,063	▲	Utilities		Karratha Airport - Water usage charges have decreased significantly and a new meter has been installed to the precinct to monitor usage.
69,159	▲	Materials & Contractors	Waste Service - Landfill Cell Design - Expenditure will be incurred in April.	
54,164	▲	Utilities	WRP - Electricity charges, invoices not yet received.	
4,042,102	▲		Positive Variances	
(433,168)	▼	Employee Costs	Employment Costs - Variances across the City will be picked up at Q2 budget review.	
(105,621)	▼	Materials & Contractors		The Quarter - Additional outgoings. Will be recovered from tenants.
(86,614)	▼	Materials & Contractors		Parks & Gardens - Increase in materials due to hiring of vehicles, reactive reticulation repairs. Adjusted at Q2 budget review.
(59,133)	▼	Materials & Contractors		Building Maintenance - Corporate & Commercial - Additional costs associated to desk rollout upgrade. Painting, carpet and electrical works.
(684,536)	▼		Negative Variances	
3,357,566	▲		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.	
(332,500)	▼	Proceeds from Disposal of Assets	Proceeds on Sale of Land - Remaining lots still to be sold in Bulgarra. Only budgeted for 1 Sale.	
(1,403,982)	▼		Negative Variances	
(1,403,982)	▼		Net Negative Variance Attributable to Material Items	

Outflows - Investing Activities	Explanation of Variances
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Amount		Nature	Timing	Permanent
897,929	▲	Buildings	Building Maintenance - KLP - Project commencement delays.	
738,216	▲	Buildings	Projects & Infrastructure - Hancock Way - 6 House Construction - Contract awarded, payment pending construction milestone.	
438,007	▲	Infrastructure	Operations - Ten year footpath plan - Project delayed due to contractors availability.	
314,117	▲	Furniture & Equipment	Information Technology - Hardware - Purchase of laptops, monitors and accessories delayed due to programmed phasing of works.	
300,000	▲	Furniture & Equipment	Community Facilities - Karratha Leisureplex court resurfacing project delayed due to contractor availability.	
276,375	▲	Infrastructure	Projects & Infrastructure - Kevin Richard Memorial Oval (KRMO) - Multi-use Hardcourts & Lighting - Contract delayed due to contractor availability.	
268,769	▲	Infrastructure	Projects & Infrastructure - Kevin Richard Memorial Oval (KRMO) - Oval playing surface lighting and pole upgrade - Contract awarded, payment pending construction milestone.	
243,899	▲	Infrastructure	Projects & Infrastructure - Ovals General Equipment - Delays to equipment purchases.	
238,045	▲	Infrastructure	Engineering Services - Storm water structure projects - On track - Cossack culvert (completed) and Crane Circle culvert constructions in progress.	
219,040	▲	Infrastructure	Operations - Kerb renewals - Contractor delays and capacity.	
214,769	▲	Work in Progress Infrastructure	Technical Services - King Bay Road culvert replacement - Project is complete however payment is yet to be finalised	
200,000	▲	Work in Progress Infrastructure	Projects & Infrastructure - Andover Park Stage 2 - Delays to scoping of work and works starting.	
193,000	▲	Infrastructure	Projects & Infrastructure - Murujuga Nat. Park Access Road (Conzinc Bay) - Delays to works starting.	
184,050	▲	Infrastructure	Parks & Gardens - Park Enhancement - Delays to scoping of works and works starting.	
167,585	▲	Infrastructure	Building Maintenance - KTA Water mains pipe replacement - Commitments awaiting invoicing.	
124,021	▲	Infrastructure	Operations - Road reseal program - Ongoing. Contractor delays.	
124,021	▲	Work in Progress Equipment	Operations - Woodbrook Road - Gravel Resheeting - Ongoing. Contractor delays.	
110,432	▲	Work in Progress Equipment	Karratha Airport - Delay in additional CCTV cameras being installed, will occur in Qtr 4.	
100,000	▲	Infrastructure	Karratha Airport - Airside Upgrade - Delay in apron lighting inspection and report due to consultant availability.	
97,510	▲	Infrastructure	Karratha Airport - Fencing - Delay in fencing project, will now occur in Qtr 4. Cashflow adjusted at Q2 budget review.	
76,125	▲	Infrastructure	Projects & Infrastructure - Roebourne Streetscape Masterplan - Contract awarded, program delayed until April 2025.	
5,525,909	▲		Positive Variances	
(174,392)	▼	Plant		Fleet & Plant - 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.
(69,373)	▼	Equipment		Karratha Airport - Upgrades to the PA system and the purchase of a new ETD for security screening have been completed. These costs will be adjusted in the Q2 budget review.
(62,558)	▼	Investment Property		The Quarter HQ - Additional painting works added to Capital scope

(57,355)	▼	Plant		Waste Services - Fleet - New equipment capitalised. Budget to be moved to correct phasing at Q2 budget review.
(436,105)	▼		Negative Variances	
5,089,803	▲		Net Positive Variance Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
3,472,023	▲	Reserves	Transfer to Reserves - Transfer to Reserve of funds received pending reconciliation.	
3,472,023	▲		Positive Variances	
3,472,023	▲		Net Positive Variance Attributable to Material Items	