

City of Karratha

Variance Commentary

As at 31 October 2025

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
8,536,119	▲	Operating Grants		Financial Services - Hearsons Cove road works contributed asset. This is a non-cash asset gifted to the City with the variance to be corrected at Q2.
8,330,000	▲	Operating Grants		Community Facilities - Wickham Oval Upgrade Works - Rio Tinto Funding, phasing will be corrected at Q2.
3,800,000	▲	Fees & Charges	Community Facilities - Rio Tinto Partnership Agreement funds received earlier than budgeted.	
3,014,876	▲	Fees & Charges	Community Facilities - Wickham Recreational Facility - Rio Tinto Partnership Agreement funds received earlier than budgeted.	
2,769,461	▲	Fees & Charges	Waste Management - Residential Waste Management income budget was spread over 12 months - received all annual income in August via rates.	
716,765	▲	Fees & Charges		Karratha Airport - Growth in passenger numbers and increased flights has led to an increase in revenue.
245,525	▲	Other		Human Resources - Reimbursement of workers Compensation payments.
102,052	▲	Fees & Charges		Building Services - Estimated value of works has increased by 186.33% from previous year resulting in increased fee amounts as they are calculated as a % of the works value.
27,514,800	▲		Positive Variances	
(15,480,000)	▼	Operating Grants	Mulataga Development - The City has now received a draft funding agreement with the State Government for review however the State / Federal Funding agreement has not been executed.	
(490,173)	▼	Interest		Interest Income lower than previous estimates due to lower interest rates.
(118,358)	▼	Fees & Charges		The Quarter - Income down through a combination of new tenancies that attract a rent free period, and a few recent vacancies on ground floor sites.
(16,088,531)	▼		Negative Variances	
11,426,269	▲		Net Positive Variance Attributable to Material Items	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
2,000,000	▲	Materials & Contractors	Mulataga Development - The City and Development WA are advancing the Development Agreement. An initial payment will be made on signing and subject to the State Funding Agreement being executed and the initial payment made.	
462,776	▲	Materials & Contractors	Business Transformation - Additional consulting services planned for not utilized due to internal staff capability and skill uplift as well as new executive expertise providing guidance and support.	
365,765	▲	Materials & Contractors	Waste Services - Procurement of gas flare and generator yet to be commenced. Business case prepared for solar generator	
240,850	▲	Other Expense	Engagement & Partnerships - Community Grants, Large grant round not yet finalised.	
209,931	▲	Materials & Contractors	Waste Services - Cell construction CQA consultancy RFQ is yet to be issued.	
148,200	▲	Materials & Contractors	City Projects - Wickham Oval Renovation - Change to start date due to delay in funding commitment.	
141,965	▲	Utilities	Karratha Airport - Utility invoices were processed later than originally planned.	
130,000	▲	Materials & Contractors	Building Maintenance - Wickham Community Hall - Project Start delayed due to contractor availability.	
110,000	▲	Materials & Contractors	Waste Services - Cyclone Green Waste Collection - Delay in vendor invoicing.	
3,809,486	▲		Positive Variances	

(2,806,326)	▼	Insurance	Insurance - Second Instalment payment split journal is awaiting approval, will be rectified in November.	
(1,174,708)	▼	Employee Costs		Employment Costs - Variances across the City attributable to full staffing capacity, plant op costs and overheads
(255,049)	▼	Materials & Contractors		Karratha Airport - Carpark equipment repairs due to damage caused by a lighting strike and water ingress. Apron Linemarking undertaken ahead of schedule. Route Development Consultants Delivery of Draft Funding Submission earlier than planned. External Security Audit completed earlier than planned.
(133,808)	▼	Depreciation		Depreciation - timing of capitalisations and gifting of new assets increased depreciation expense. To be reviewed at Q2.
(4,369,891)	▼		Negative Variances	
(560,405)	▼		Net Negative Variance Attributable to Material Items	

Inflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
159,000	▲	Non Operating Grants	Operations - Ten Year Footpath Program - Grant received earlier than budgeted.	
159,000	▲		Positive Variances	
0	▼		Negative Variances	
159,000	▲		Net Positive Variance Attributable to Material Items	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
2,322,991	▲	Buildings	City Projects - Housing Development Baynton Apartments Bajamalu - Delayed execution of Development Agreement for construction works.	
1,868,619	▲	Aerodrome	Karratha Airport - Airside Upgrade - Pending processing of runway rejuvenation invoices.	
1,618,147	▲	Buildings	City Projects - Hancock Way House Construction - Changes to works program onsite impacting claims schedule.	
1,492,107	▲	Aerodrome	Building Maintenance - Airport Water Mains Pipe Replacement - Works have commenced.	
1,353,046	▲	Infrastructure Misc Structures	Waste Services - Waste Water Treatment Plant - New WWTP installed. Budget to be transferred to Building Maintenance at Q2.	
1,200,000	▲	Parks & Open Spaces	City Projects - Andover Park Stage 2 - Delayed procurement, full year budget remains on track for spend this financial year.	
1,157,265	▲	Footpaths	Operations - Ten Year Footpath Program - Waiting for tender award, will need to rephase the budget at Q2.	
1,068,194	▲	Roads	Operations - Road Reseal Program - Further reseals pending footpath and kerbing works.	
1,028,023	▲	Infrastructure Misc Structures	City Projects - Roebourne Streetscape Master Plan - Delay to completion of works, impacting progress claim values.	
477,000	▲	Buildings	Building Maintenance - Karratha Leisureplex - Delays due to procurement and Materials.	
473,825	▲	Buildings	Building Maintenance - Karratha Airport - Project delay for Checked Bagged Screening machine, to be adjusted at Q2.	
449,096	▲	Parks & Open Spaces	City Projects - Golf Course Maintenance Compound Design & Construction - Delayed procurement activity resulting in delayed start.	
417,000	▲	Parks & Open Spaces	Operations - Kerb Renewals - Waiting for tender award, will need to rephase the budget at Q2.	
359,425	▲	Buildings	Building Maintenance - Operations Centre - Awaiting final project claim for Air conditioner.	
284,331	▲	Equipment	Karratha Airport - Pending receipt of invoice for the 20% payment milestone for Checked Baggage Screening Equipment.	
225,952	▲	Aerodrome	Karratha Airport - Furniture & Equipment - Pending processing of Baggage Handling Carousel works invoice.	

197,621	▲	Roads	City Projects - Murujuga National Park Access Road (Conzinc Bay) - Stalled design delivery, scope changes impacting previous approval variation to design scope.	
149,430	▲	Parks & Open Spaces	City Projects - Reader Hill Lookout Shelter Replacement - Commencement of works on site delayed, resulting to delay to final payment.	
148,739	▲	Parks & Open Spaces	Parks & Gardens - ERS Upgrade - Works in progress 2 of 3 projects completed.	
148,293	▲	Furniture & Equipment	Community Programs - REAP - Trailer stage and equipment purchase, final invoices yet to be received.	
122,000	▲	Plant	Fleet & Plant - Landfill Operations - Truck delivered - processing invoice.	
118,206	▲	Roads	Operations - Rosemary Road Pedestrian Bridge Remediation - Finalising methodology.	
16,679,309	▲		Positive Variances	
(1,678,318)	▼	Roads		Coolawanyah & Dewitt Rd Intersection Reconstruction - Project extended past June due to negotiations with services.
(1,678,318)	▼		Negative Variances	
15,000,992	▲		Net Positive Variance Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
(12,448,627)	▼	Reserves		Transfer to Reserve - Waste Reserve prior year transfer actioned in 2025/26. To be corrected at Q2 review
(3,103,840)	▼	Reserves	Transfers To/From Reserves - current year transfers recognised in budget but not yet reconciled for transfer	
(15,552,467)	▼		Negative Variances	
(15,552,467)	▼		Net Negative Variance Attributable to Material Items	