

# City of Karratha

## Variance Commentary

As at 31 March 2026

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
5,290,938	▲	Operating Grants		City Projects - Wickham Oval Upgrade - Rio Tinto Funding received ahead of schedule
817,042	▲	Fees & Charges		Karratha Airport - Growth in passenger numbers, increased flights and carpark revenue has led to an increase in revenue
403,886	▲	Interest		Interest Income higher than previous estimates due to timing of transfers and current interest rates.
<b>6,511,866</b>	▲		<b>Positive Variances</b>	
(2,250,069)	▼	Fees & Charges	Waste - Significant reduction in Contaminated Waste disposal at facility since November 2025. Waste carriers advised of expired contracts with resource industry waste generators.	
(556,000)	▼	Operating Grants	Community Facilities - Income for Department of Education Joint Use accounting entry. Will revert by June 30 when corresponding accounting entry is made.	
(141,208)	▼	Interest		Bulgarra Housing Development - Interest lower than expected due to timing of loan drawdowns
<b>(2,947,277)</b>	▼		<b>Negative Variances</b>	
<b>3,564,589</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
2,681,680	▲	Employee Costs		Employment Costs - Variances across the City attributable to full staffing capacity, plant op costs and overheads
1,022,056	▲	Materials & Contractors	City Projects - Wickham Oval Renovations - Turf Supply Delayed.	
666,323	▲	Materials & Contractors	Information Technology - Access Control Upgrades; Planned Cabinet upgrades; Backup repository supply chain problems; WCH CCTV appliance planned	
253,860	▲	Materials & Contractors	Planning services - Karratha City Centre Precinct Structure Plan project underway. Coastal Hazard Risk Management Adaptation Plan project progressing with Draft Hazard Assessment (late March).	
236,631	▲	Materials & Contractors	Arts, Culture & Events - Delayed expenditure for REAF 2026 - commitments raised not yet paid	
213,127	▲	Materials & Contractors	City Growth - expenditure yet to be incurred for upcoming projects - (Tourist park feasibility, Census, signage, KTVC improvements, Karratha is Calling, KLP Energy Optimisation, EV Study, Solar Works Plan)	
188,993	▲	Materials & Contractors	Parks & Natural Areas - Furniture and Fencing procurement in progress.	
187,624	▲	Materials & Contractors	Arts, Culture & Events - Arts Development Activity & Events - Underspend due to timing	
175,200	▲	Materials & Contractors	Community Planning - underspend due to delays in engaging contractors.	
164,942	▲	Materials & Contractors	Parks & Natural Areas - Karratha Golf Course seasonal works in progress.	
152,424	▲	Materials & Contractors	The Quarter - Delays to receiving invoices for contracted works.	
114,065	▲	Materials & Contractors	Facility Maintenance - Housing - Delays to receiving invoices for contracted works.	
101,886	▲	Materials & Contractors	Waste Services - Cell capping procurement of gas flare generator expected in April.	
<b>6,158,811</b>	▲		<b>Positive Variances</b>	
(6,152,800)	▼	Loss on Disposal		Karratha Airport - Disposal relating to December 2025 Building Revaluation, to be reallocated with CiA migration
(420,000)	▼	Proceeds	Awaiting funds from land sale. Settlement imminent.	

(164,570)	▼	Materials & Contractors		Karratha Airport - Increase in reactive works due to issues occurring with power, automatic doors and sewer.
(156,044)	▼	Utilities		Operations - Street Lights - Actuals higher than budgeted.
(123,004)	▼	Utilities		Parks & Natural Areas - Potable costs due to limited Water Corp ERS supply.
(496,779)	▼	Insurance		Insurance - Performance Based Adjustments for workers compensation, allocation journal to be completed.
<b>(7,513,197)</b>	<b>▼</b>		<b>Negative Variances</b>	
<b>(1,354,386)</b>	<b>▼</b>		<b>Net Negative Variance Attributable to Material Items</b>	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
4,424,931	▲	Buildings	City Projects - Housing Development Baynton Apartments Bajamalu - Delay to fabrication of apartment, monitoring for carry forward unless Contractor can make back time.	
646,358	▲	Footpaths	Operations - Ten Year Footpath Program - Works progressing and invoices received	
616,345	▲	Aerodrome		Karratha Airport - Airside Upgrade - Apron lighting final design received January 2026 and works to be completed by June. Airside road and drainage works have been rescheduled to Aug/Sep 2026
613,299	▲	Plant	Fleet & Plant - Sanitation - Street sweeper ordered, expected delivery May 2026.	
404,277	▲	Parks & Open Spaces	Parks & Natural Areas - Playground Replacement/Upgrades Works to be completed in June.	
283,000	▲	Parks & Open Spaces	Parks & Natural Areas - Replace Park Furniture/Fencing - procurement in progress.	
274,612	▲	Plant	Fleet & Plant - Expanadeck float final payment April 2026.	
259,421	▲	Parks & Open Spaces	City Projects - Andover Park Stage 2 - Delayed procurement, full year budget remains on track for spend this financial year.	
152,613	▲	Parks & Open Spaces	Parks & Natural Areas - ERS Upgrade - Works in progress 2 of 3 projects completed.	
150,000	▲	Infrastructure Misc Structures	Waste Services - Procurement of Solar Generator - RFQ April 2026.	
143,339	▲	Buildings	Facility Maintenance - Karratha Leisureplex - Delays to receiving invoices for contracted works.	
142,813	▲	Furniture & Equipment	Information Technology - Hardware Refresh - Delays in equipment purchases.	
112,000	▲	Infrastructure Misc Structures	City Projects - KRMO Multi Use Hardcourts & Lighting - Delayed due to Geotechnical Results.	
108,302	▲	Buildings		Facility Maintenance - Frank Butler Community Centre - Delays to receiving invoices for contracted works.
<b>8,331,310</b>	<b>▲</b>		<b>Positive Variances</b>	
(127,824)	▼	Parks & Open Spaces	City Projects - Golf Course Maintenance Compound Design & Construction - Spend is within the overall project budget, variance due to early completion of civil works.	
(154,700)	▼	Investment Property	The Quarter - Fire System Upgrade - Works completed earlier than budgeted.	
(306,441)	▼	Buildings	Facility Maintenance - Housing - Shakespeare apartments works being completed ahead of budgeted schedule.	
<b>(588,965)</b>	<b>▼</b>		<b>Negative Variances</b>	
<b>7,742,345</b>	<b>▲</b>		<b>Net Positive Variance Attributable to Material Items</b>	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
<b>0</b>	<b>▲</b>		<b>Positive Variances</b>	
(21,687,033)	▼	Reserves		Transfers to Reserve - current year transfers recognised in budget but not yet reconciled for transfer
<b>(21,687,033)</b>	<b>▼</b>		<b>Negative Variances</b>	
<b>(21,687,033)</b>	<b>▼</b>		<b>Net Negative Variance Attributable to Material Items</b>	