

City of Karratha

Variance Commentary

As at 30 June 2026

Revenue -Operating Activities	Material Variance				Timing	Comment
Fees & Charges	-	(3,082,396)	256,088	▲	Permanent	Karratha Leisureplex - Finance Recognition of Membership revenue associated with outstanding debt accounts.
			167,507	▲	Permanent	Arts, Culture & Events - Fenacle Stall holder fees received earlier than anticipated.
			(1,085,704)	▼	Timing	Karratha Airport - Landing, Passenger fees, Security fees and Rental Cars rentals for June to be processed during end of year adjustments.
			(2,637,822)	▼	Permanent	Waste - Significant reduction in Contaminated Waste (solids) disposal between Q3 Due to major projects ending. Q4 Increased volumes (solids) meeting 75% of Budget.
			(3,299,931)	▼	Net Negative Variance	
Operating Grants, Subsidies & Contributions	-24.07%	(15,005,708)	1,188,300	▲	Permanent	Financial Services - Additional revenue from the financial assistance grant advance payment.
			(9,527,417)	▼	Timing	City Projects - Grant for Wickham Multipurpose Covered Courts transferred to Reserve waiting for costs to be expensed
			(6,630,000)	▼	Permanent	Mulataga Development - Delay in award of contract by Development WA. Final claim to be submitted upon contract commencement anticipated in August 2026.
			(14,969,117)	▼	Net Negative Variance	
Interest Earned	-	522,466	783,900	▲	Permanent	Interest Income higher than previous estimates due to timing of transfers and current interest rates.
			(360,780)	▼	Permanent	Bulgarra Housing Development - Developers not drawing down as quickly as anticipated resulting in less interest generated on the loan.
			423,120	▼	Net Negative Variance	
Expenditure -Operating Activities	Material Variance				Timing	Comment
Employee costs	-	2,310,593	1,960,746	▲	Permanent	Variance due to vacancy rate and additional invoices expected to be accrued back into FY26
			1,960,746	▲	Net Positive Variance	
Materials & Contracts	14.62%	9,321,324	7,000,000	▲	Permanent	Infrastructure Services - Mulataga Development - Delay in award of contract by DevWA. Next payment to be made to Dev WA upon contract commencement anticipated in August 2026.
			1,024,265	▲	Permanent	Community Planning - underspend due to delays in engaging contractors.
			379,068	▲	Permanent	City Growth - expenditure yet to be incurred for upcoming projects to be carried forward to FY 2026/27 - (Tourist park feasibility, Census, signage, KTVIC improvements, Karratha is Calling, KLP Energy Optimisation, EV Study, Solar Works Plan)
			250,000	▲	Permanent	Karratha Airport - Carry Forward apron linemarking project to FY 2026/27.
			236,110	▲	Permanent	Arts, Culture & Events - Arts Development Activity & Events - Underspend due to timing will be carried forward to FY 2026/27.
			225,153	▲	Permanent	The Quarter - Expected Repairs & Maintenance for Shop 5B at The Quarter didn't eventuate.
			240,870	▲	Timing	Waste Services - General Waste & Recycling - June invoices received July. To be processed during end of year adjustments.
			110,268	▲	Timing	Facility Maintenance - Housing - Delays to receiving invoices for contracted works.
			705,669	▲	Permanent	City Projects - Wickham Recreation Precinct - Will be carried forward to FY 2026/27.
			231,517	▲	Timing	Waste Services - Waste Management - Delay in CQA invoicing, to be processed during end of year adjustments.
			(325,210)	▼	Permanent	Karratha Leisureplex - Increase in reactive works due to Airconditioning repairs and Hot Water System repairs.
			(377,803)	▼	Permanent	Karratha Airport - Increase in reactive works due to issues occurring with power, automatic doors and sewer.
			(681,628)	▼	Timing	Information Technology - Prepayments to be removed during processing of year end adjustments.
			9,018,279	▲	Net Positive Variance	
Utilities	-13.72%	(837,961)	(314,545)	▼	Permanent	Operations - Street Lights - Actuals higher than budgeted.
			(204,572)	▼	Permanent	Parks & Natural Areas - Potable water costs due to limited Water Corp ERS supply.
			(519,117)	▼	Net Negative Variance	
Depreciation	-	-		▲	Permanent	Depreciation - timing of capitalisations and gifting of new assets decreased depreciation expense.
			0	▲	Net Positive Variance	

Other Expenses	20.66%	598,590	360,000	▲	Permanent	Engagement & Partnerships - Carried forward - Committed funds for approved Large community grants, final partial payments to me made in FY2026/27.
			138,727	▲	Permanent	City Growth - Variance with Major event sponsorship & attraction and TYBO has a carry forward to FY 2026/27.
			498,727	▲	Net Positive Variance	
Outflows - Investing Activities	Material Variance				Timing	Comment
Purchase of Assets - Infrastructure Misc Structures	-39.45%	3,607,561	328,530	▲	Permanent	City Projects - Roebourne Recreation Precinct Master Plan - Delayed, rollover requested to 26/27 FY.
			160,660	▲	Permanent	Waste Services - Delay in Procurement of Solar Generator - RFQ April 2026. Rollover requested to 26/27 FY.
			100,000	▲	Permanent	Karratha Leisureplex - Masterplan CIP - Project split over two Financial Years. Delayed award due to procurement. Funds required to support next years design budget carried forward to FY 2026/27
			570,479	▲	Permanent	City Projects - 7 Mile Waste Facility Cell Development - Delay due to contract negotiations surrounding market impacts on fuel and material supply. Will be carried forward to FY 2026/27.
			1,750,000	▲	Permanent	Corporate Services - Original budget assigned for property acquisition which is not going ahead.
			2,909,669	▲	Net Positive Variance	
Purchase of Assets - Parks & Open Spaces	-25.93%	2,014,446	495,313	▲	Permanent	City Projects - Andover Park Stage 2 - Delayed start of project to be carried Forward to FY 2026/27.
			216,264	▲	Timing	Parks & Natural Areas - Playground Replacement/Upgrades Works to be completed in June with invoices to be received in July.
			374,827	▲	Permanent	Facility Maintenance - Hampton Oval - Delay in engineering of footings, on site works due to commence late June. Will be carried forward to FY 2026/27.
			161,501	▲	Timing	Parks & Natural Areas - Replace Park Furniture/Fencing - Works commencing in June
			249,059	▲	Timing	Parks & Natural Areas - ERS Upgrade - Works in progress 2 of 3 projects completed.
			100,000	▲	Permanent	City Projects - Rectangle Fields Masterplan - Project split over two financial years. Delayed award due to procurement. Funds required to support next years design budget. Carried Forward to FY 2026/27.
			1,596,964	▲	Net Positive Variance	
Purchase of Assets - Buildings	22.10%	7,504,974	5,051,516	▲	Permanent	City Projects - Housing Development Baynton Apartments Bajamalu - Delay to fabrication of apartment, Will be carried forward to FY 2026/27.
			527,471	▲	Timing	Facility Maintenance - Karratha Leisureplex - Delays to receiving invoices for contracted works. Will be processed during end of year adjustments.
			1,256,340	▲	Timing	Facility Maintenance - Karratha Airport - Works completed for Fire Upgrades and a approved variation for works.
			418,903	▲	Timing	Facility Maintenance - Housing - Shakespeare apartments works to be completed in June with final invoices in July.
			7,254,230	▲	Net Positive Variance	
Purchase of Assets - Equipment	-	148,089	158,347	▲	Permanent	Karratha Airport - Terminal seating project rescheduled to occur in FY2026/27.
			158,347	▲	Net Positive Variance	
Purchase of Assets - Furniture & Equipment	39.35%	442,709	181,711	▲	Permanent	Information Technology - Hardware Refresh - Delays in equipment purchases, to be carried forward to FY 2026/27.
			169,861	▲	Permanent	Arts, Culture & Events - PA system RFQ was unable to be completed within the timeframe, quotes came back over budget and requirements require review.
			351,572	▲	Net Positive Variance	
Purchase of Assets - Plant	-25.26%	1,069,113	621,554	▲	Timing	Fleet & Plant - Sanitation - Street sweeper Invoice paid in July and will be accounted for during end of year adjustments.
			492,329	▲	Permanent	Fleet & Plant - Karratha Airport - Budget not fully used for the Generator Replacement.
			1,113,883	▲	Net Positive Variance	
Purchase of Assets - Investment Property	0.00%	146,006	146,006	▲	Permanent	The Quarter - Office Fit out works - to be adjusted in 26/27 Budget.
			146,006	▲	Net Positive Variance	
Purchase of Assets - Infrastructure roads	-	2,562,714	350,000	▲	Permanent	Operations - Sams Creek Intersection Upgrade - works not started. Carried forward to 26/27 Budget.
			472,164	▲	Timing	Engineering & Asset Management - De Witt/Dampier Rd Intersection upgrade,. Contract has been awarded works to start in June 26.
			822,164	▲	Net Positive Variance	

Purchase of Assets - Infrastructure Footpaths	-22.83%	1,738,423	1,042,147	▲	Permanent	Operations - Footpaths Major Replace/Repair - Works due to be complete end of July, possible invoice in Aug/Sept. to be Carried forward to FY 2026/27.
			194,365	▲	Permanent	Engineering & Asset Management - The Ranges Footpath Design - Project Delayed will be carried forward to FY 2026/27.
			1,236,512	▲	Net Positive Variance	
Purchase of Assets - Aerodrome	256271350%	859,426	580,603	▲	Permanent	Karratha Airport - Airside Upgrade - Airside road and drainage works have been rescheduled to Aug/Sep 2026 and apron lighting works also rescheduled in FY2026/27.
			100,000	▲	Permanent	Karratha Airport - Fencing project has been rescheduled to occur in FY2026/27.
			680,603	▲	Net Positive Variance	
Outflows - Financing Activities						
	Material Variance				Timing	Comment
Transfers To/From Reserves	88.06%	(9,375,006)	(9,375,006)	▼	Timing	Transfers to Reserve - current year transfers recognised in budget but not yet reconciled for transfer
			(9,375,006)	▼	Net Negative Variance	