

City of Karratha

Variance Commentary

As at 31 August 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.	
3,139,009	▲	Fees & Charges	Waste Management - Residential Waste Management Charge income budget spread over 12 months - received all annual income in August via rates.	
240,000	▲	Fees & Charges	City Growth - First instalment of the Housing Support Program grant to cover salary of the Housing Financial Analyst role received earlier than budgeted.	
230,208	▲	Other		Human Resources - Reimbursement of workers Compensation payments.
120,218	▲	Fees & Charges		Karratha Airport - Growth in passenger numbers and increased flights has led to an increase in revenue
12,265,554	▲		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.	
(128,350)	▼	Interest		Interest Income lower than previous estimates due to lower interest rates.
(15,608,350)	▼		Negative Variances	
(3,342,796)	▼		Net Negative 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.	
354,831	▲	Materials & Contractors	Information Technology - Delays to invoices being paid for Annual Subscription costs	
350,000	▲	Materials & Contractors	City Projects - Wickham Oval Renovation delayed due to contractor availability.	
215,059	▲	Materials & Contractors	Waste Services - Cell construction CQA consultancy RFQ is yet to be issued.	
201,170	▲	Materials & Contractors	Waste Services - Procurement of gas flare and generator yet to be commenced.	
188,777	▲	Materials & Contractors	The Quarter - Strata Levy's budgeted for earlier than received.	
131,973	▲	Utilities	Operations - Street Lights - invoices were processed later than originally planned.	
121,374	▲	Utilities	Karratha Airport - Utility invoices were processed later than originally planned.	
3,563,184	▲		Positive Variances	
(221,813)	▼	Employee Costs		Employment Costs - Variances across the City attributable to full staffing capacity, plant op costs and overheads
(221,813)	▼		Negative Variances	
3,341,371	▲		Net Positive Variance Attributable to Material Items	

Inflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
150,000	▲	Non Operating Grants	Operations - Ten Year Foothpath Program - Grant received earlier than budgeted.	
150,000	▲		Positive Variances	
150,000	▲		Net Positive Variance Attributable to Material Items	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,878,916	▲	Buildings	City Projects - Hancock Way House Construction - Contractor has not submitted a July/August claim as of yet.	
1,464,664	▲	Infrastructure Misc Structures	City Projects - Roebourne Streetscape Master Plan - July progress claim in dispute, working through quality issues with contractor prior to approving. Project is on track.	
973,742	▲	Equipment	Karratha Airport - Awaiting receipt of invoice for payment of 40% for Checked Baggage Screening Equipment	
217,965	▲	Footpaths	Operations - Ten Year Foothpath Program - Delayed due to contract reissue scheduled to commence in December.	
150,000	▲	Plant	Fleet & Plant - Roads & Streets - Skid steer replacement out for tender	
147,291	▲	Furniture & Equipment	Community Programs - REAP - Carry over from the Trailer Stage project.	
122,000	▲	Plant	Fleet & Plant - Landfill Operations - Purchase of Waste Tipper Truck has been delayed.	
116,477	▲	Parks & Open Spaces	Parks & Gardens - ERS Upgrade - Continued Works. Lag time in procurement processes.	
5,071,055	▲		Positive Variances	
5,071,055	▲		Net Positive Variance Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
(911,059)	▼	Reserves	Transfers from Reserves - Transfers for funding projects aren't budgeted until later in the year.	
(911,059)	▼		Negative Variances	
(911,059)	▼		Net Negative Variance Attributable to Material Items	