

# City of Karratha

## Variance Commentary

As at 30 September 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.
3,014,876	▲	Operating Grants	Community Facilities - Wickham Recreational Facility - Rio Tinto Partnership Agreement funds received earlier than budgeted.	
2,941,959	▲	Fees & Charges	Waste Management - Residential Waste Management income budget was spread over 12 months - received all annual income in August via rates.	
320,295	▲	Fees & Charges		Karratha Airport - Growth in passenger numbers and increased flights has led to an increase in revenue.
246,858	▲	Other		Human Resources - Reimbursement of workers Compensation payments.
15,060,108	▲		<b>Positive Variances</b>	
(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.	
(515,247)	▼	Interest		Interest Income lower than previous estimates due to lower interest rates.
(15,995,247)	▼		<b>Negative Variances</b>	
(935,139)	▼		<b>Net Negative Variance Attributable to Material Items</b>	

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.	
349,640	▲	Materials & Contractors	City Projects - Wickham Oval Renovation - Change to start date due to delay in funding commitment.	
312,194	▲	Materials & Contractors	Information Technology - Delays to invoices being paid for Annual Subscription costs	
209,931	▲	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. Business case prepared for solar generator	
147,715	▲	Materials & Contractors	The Quarter - Strata Levy's budgeted for earlier than received.	
130,000	▲	Materials & Contractors	Building Maintenance - Wickham Community Hall - Project Start delayed due to contractor availability.	
129,098	▲	Utilities	Karratha Airport - Utility invoices were processed later than originally planned.	
108,004	▲	Utilities	Operations - Street Lights - invoices were processed later than originally planned.	
3,587,754	▲		<b>Positive Variances</b>	
(462,472)	▼	Employee Costs		Employment Costs - Variances across the City attributable to full staffing capacity, plant op costs and overheads
(462,472)	▼		<b>Negative Variances</b>	
3,125,282	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
3,850,833	▲	Buildings	City Projects - Housing Development Baynton Apartments Bajamalu - Delayed execution of Development Agreement for construction works.	

1,697,260	▲	Buildings	City Projects - Hancock Way House Construction - Changes to works program onsite impacting claims schedule.	
1,517,192	▲	Infrastructure Misc Structures	City Projects - Roebourne Streetscape Master Plan - Changes to works program onsite impacting claims schedule.	
1,047,965	▲	Footpaths	Operations - Ten Year Footpath Program - Waiting for tender award, will need to rephase the budget at Q2.	
973,742	▲	Equipment	Karratha Airport - Pending receipt of invoice for the 40% payment milestone for Checked Baggage Screening Equipment processed in October.	
600,000	▲	Parks & Open Spaces	City Projects - Andover Park Stage 2 - Delayed procurement, full year budget remains on track for spend this financial year.	
533,000	▲	Buildings	Building Maintenance - Karratha Airport - Project delay for Checked Bagged Screening machine, to be adjusted at Q2.	
458,000	▲	Buildings	Building Maintenance - Karratha Leisureplex - Delays due to procurement and Materials.	
417,000	▲	Parks & Open Spaces	Operations - Kerb Renewals - Waiting for tender award, will need to rephase the budget at Q2.	
229,117	▲	Buildings	Building Maintenance - Operations Centre - Awaiting final project claim B4 Air conditioner.	
199,558	▲	Parks & Open Spaces	City Projects - Golf Course Maintenance Compound Design & Construction - Delayed procurement activity resulting in delayed start.	
182,182	▲	Furniture & Equipment	Community Programs - REAP - Carry over from the Trailer Stage project.	
180,736	▲	Aerodrome	Karratha Airport - Furniture & Equipment - Delivery delays in procurement of Screening Point equipment and terminal seating.	
151,955	▲	Roads	City Projects - Murujuga National Park Access Road (Conzinc Bay) - Stalled design delivery, scope changes impacting previous approval variation to design scope.	
145,023	▲	Roads	Operations - Rosemary Road Pedestrian Bridge Remediation - Finalising methodology.	
140,000	▲	Infrastructure Misc Structures	City Projects - Community Storage Sheds Design and Construct - Incorrect project costing will be adjusted at Q2.	
122,000	▲	Plant	Fleet & Plant - Landfill Operations - Truck delivered - processing invoice.	
100,000	▲	Aerodrome	Karratha Airport - Fencing - Feature survey works to commence in Oct 2025 and fencing finalised in Jan/Feb 2026.	
<b>12,697,518</b>	▲		<b>Positive Variances</b>	
(1,498,387)	▼	Roads		Coolawanyah & Dewitt Rd Intersection Reconstruction - Project extended past June due to negotiations with services.
(381,550)	▼	Roads	Operations - Road Reseal Program - Further reseals pending footpath and kerbing works.	
<b>(1,879,937)</b>	▼		<b>Negative Variances</b>	
<b>10,817,581</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
(6,084,852)	▼	Reserves	Transfers from Reserves - Transfers for funding projects aren't budgeted until later in the year.	
<b>(6,084,852)</b>	▼		<b>Negative Variances</b>	
<b>(6,084,852)</b>	▼		<b>Net Negative Variance Attributable to Material Items</b>	