

City of Karratha

Variance Commentary

As at 31 December 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.
3,910,000	▲	Operating Grants	City Projects - Wickham Hardcourt Shade - Rio Tinto Funding received ahead of schedule	
1,518,474	▲	Fees & Charges	Waste Management - Residential Waste Management income budget was spread over 12 months - received all annual income in August via rates.	
1,428,498	▲	Fees & Charges		Karratha Airport - Growth in passenger numbers, increased flights and carpark revenue has led to an increase in revenue
1,024,991	▲	Operating Grants	Financial Services - Financial Assistance Grant Income received earlier than expected, to be rephased at Q2 review	
240,000	▲	Operating Grants		City Growth - First instalment of the Housing Support Program grant to cover salary of the Housing Financial Analyst role
198,124	▲	Fees & Charges		Karratha Leisureplex - Increase in memberships has led to an increase in revenue
160,000	▲	Other	Governance - anticipated Land sales have not yet occurred	
132,227	▲	Other		Corporate Services - LG House Trust - increase to financial asset due to revaluation/change in Accounting policy by WALGA
130,763	▲	Fees & Charges		Planning Services - High fee development applications for Perdanan Solar Farm and Bulgarra apartment developments as well as some larger industrial development applications.
107,041	▲	Other		Fleet & Plant - Fuel Tax Credits and insurance claim reimbursements
17,386,238	▲		Positive Variances	
(182,303)	▼	Interest	Bulgarra Housing Development - Interest lower than expected due to timing of loan drawdowns	
(320,320)	▼	Fees & Charges		Interest Income lower than previous estimates due to lower interest rates.
(364,000)	▼	Operating Grants	Community Facilities - Income for Department of Education Joint Use Agreement yet to be received	
(866,624)	▼		Negative Variances	
16,519,614	▲		Net Positive Variance Attributable to Material Items	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
5,000,000	▲	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.	
446,955	▲	Materials & Contractors	Waste Services - Cell capping procurement of gas flare generator expected in February	
330,972	▲	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	
247,503	▲	Materials & Contractors	Waste Services - Cell construction consultancy RFT advertised in January 2026	
227,484	▲	Other Expense	Engagement & Partnerships - Community Grants, Large grant round not yet finalised.	
227,484	▲	Materials & Contractors	Footpaths - Increased amount of concrete works and footpath repairs	
193,255		Interest	Bulgarra Housing Development - Interest lower than expected due to timing of loan drawdowns	

183,468	▲	Materials & Contractors	Planning Services - Delays to project commencement for Karratha City Centre Precinct Structure Plan, the Coastal Hazard Risk Management Adaptation Plan, and the Gap Ridge North Technical Feasibility Study	
162,924	▲	Utilities	Karratha Airport - Utility invoices were processed later than originally planned.	
7,020,044	▲		Positive Variances	
(100,671)	▼	Materials & Contractors		Footpaths - Increased amount of concrete works and footpath repairs
(107,793)	▼	Loss on Assets		Operations - asset disposal in relation to Dampier reseal
(144,227)	▼	Materials & Contractors		Sanitation - Increase due to lump sum backpayment of CPI for Contract term and agreed increase in scope.
(239,708)	▼	Materials & Contractors		Karratha Airport - Carpark equipment reactive repairs and apron linemarking undertaken ahead of schedule.
(309,564)	▼	Depreciation		Depreciation - timing of capitalisations and gifting of new assets increased depreciation expense. To be reviewed at Q2.
(575,039)	▼	Insurance		Insurance - Performance Based Adjustments for workers compensation, no budget allocated
(579,977)	▼	Materials & Contractors	FeNaCInG - 2025 invoices received late	
(3,250,865)		Employee Costs		Employment Costs - Variances across the City attributable to full staffing capacity, plant op costs and overheads
(5,307,844)	▼		Negative Variances	
1,712,201	▲		Net Positive Variance Attributable to Material Items	

Inflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
599,803	▲	Non Operating Grants	City Projects - Black Spot funding received for Coolawanyah and De Witt Roads	
250,000		Non Operating Grants	Operations - Point Samson Entry Staement - Designs delayed - detailed design to be presented at February OCM	
849,803	▲		Positive Variances	
(181,700)	▼	Non Operating Grants	Operations - Ten Year Footpath Program - final funding milestone updated to May 2026.	
(181,700)	▼		Negative Variances	
668,103	▲		Net Positive Variance Attributable to Material Items	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
3,257,250	▲	Buildings	City Projects - Housing Development Baynton Apartments Bajamalu - Delayed execution of Development Agreement for construction works.	
1,730,000	▲	Footpaths	Operations - Ten Year Footpath Program - Contract awarded, works to commence February 2026	
1,541,400	▲	Buildings	City Projects - Hancock Way House Construction - Changes to works program onsite impacting claims schedule.	
1,359,130	▲	Infrastructure Misc Structures	City Projects - Delays to completion of works for CBD public toilets, Community Storage Sheds and Dampier Townsite Enhancement	
1,353,046	▲	Infrastructure Misc Structures	Waste Services - Waste Water Treatment Plant - New WWTP installed. Budget to be transferred to Building Maintenance at Q2.	
1,333,077	▲	Equipment	Karratha Airport - Pending receipt of invoice for the next milestone payment for Checked Baggage Screening Equipment.	
1,199,832	▲	Parks & Open Spaces	City Projects - Andover Park Stage 2 - Delayed procurement, full year budget remains on track for spend this financial year.	
1,155,141	▲	Buildings	Building Maintenance - Karratha Airport - Project delay for Checked Bagged Screening machine, to be adjusted at Q2.	
1,149,096	▲	Parks & Open Spaces	City Projects - Golf Course Maintenance Compound Design & Construction - Delayed procurement activity resulting in delayed start.	

1,076,061	▲	Aerodrome	Karratha Airport - Airside Upgrade - Apron lighting final design received January 2026. Airside road and drainage works have been rescheduled to Aug/Sept 2026	
1,063,764	▲	Roads	Operations - Road Reseal Program - Local reseals delayed due to pending kerbing and footpath works	
934,000	▲	Parks & Open Spaces	Operations - Kerb Renewals - tender awarded, works to commence February 2026.	
715,000	▲	Buildings	Building Maintenance - Karratha Leisureplex - Delays due to procurement of Materials.	
511,625	▲	Buildings	Building Maintenance - Operations Centre - Awaiting final project claim for Air conditioner.	
438,249	▲	Infrastructure Misc Structures	City Projects - Roebourne Streetscape Master Plan - Delay to completion of works, impacting progress claim values.	
387,247	▲	Parks & Open Spaces	Parks & Gardens - ERS Upgrade - Works in progress 2 of 3 projects completed.	
334,785	▲	Parks & Open Spaces	Parks & Gardens - Streetscape and Park Enhancements - trees purchased for April/May 2026 install	
326,915	▲	Footpaths	Operations - Footpath Lighting Program - Developing formal RFQ	
258,924	▲	Roads	City Projects - Murujuga National Park Access Road (Conzinc Bay) - Stalled design delivery, scope changes impacting previous approval variation to design scope.	
250,000	▲	Roads		Operations - De Grey Pedestrian Bridge and Sams Creek Intersection - Projects delayed due to ACH (Aboriginal Cultural Heritage)
249,417	▲	Aerodrome	Building Maintenance - Airport Water Mains Pipe Replacement - Works have commenced, pending project milestones	
222,662	▲	Aerodrome	Karratha Airport - Baggage Handling System Carousel repairs scheduled in September 2025, partial works completed and balance of works will occur when the Checked Baggage System is replaced	
158,293	▲	Furniture & Equipment	Community Programs - REAP - PA System Renewal and replacement furniture yet to be progressed	
150,000	▲	Debentures	Financial Services - Loan, Dampier Shopping Centre - remaining available funds not yet drawn	
125,000	▲	Plant	Fleet & Plant - Parks & Gardens - Timing changed for delivery of Parks truck	
122,000	▲	Plant	Fleet & Plant - Landfill Operations - Truck delivered - invoice to be processed.	
100,000	▲	Aerodrome	Karratha Airport - Fencing - Awaiting completion of water mains replacement project before a feature survey can be conducted . Works estimated to be completed by Q4.	
21,501,914	▲		Positive Variances	
0	▼		Negative Variances	
21,501,914	▲		Net Positive Variance Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
(3,320,481)	▼	Reserves		Transfers to Reserve - Waste Reserve prior year transfer actioned in 2025/26, and Strategic Reserve transfer yet to occur
(7,266,335)	▼	Reserves	Transfers From Reserves - current year transfers recognised in budget but not yet reconciled for transfer	
(10,586,816)	▼		Negative Variances	
(10,586,816)	▼		Net Negative Variance Attributable to Material Items	