

City of Karratha

Variance Commentary

As at 31 May 2026

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,218,627	▲	Fees & Charges		Karratha Airport - Growth in passenger numbers and increased flights has led to an increase in revenue.
610,658	▲	Interest		Interest Income higher than previous estimates due to timing of transfers and current interest rates.
212,399	▲	Fees & Charges	Karratha Airport - Lease billing for Woodside occurred earlier than anticipated, will correct in June 2026.	
140,690	▲	Fees & Charges	Arts, Culture & Events - Fenacle Stall holder fees received earlier than anticipated.	
2,182,374	▲		Positive Variances	
(9,207,417)	▼	Operating Grants	City Projects - Grant for Wickham Multipurpose Covered Courts transferred to Reserve waiting for costs to be expensed	
(2,841,230)	▼	Fees & Charges		Waste - Significant reduction in Contaminated Waste disposal at facility since November 2025.
(267,920)	▼	Interest		Bulgarra Housing Development - Interest lower than expected due to timing of loan drawdowns.
(18,946,567)	▼		Negative Variances	
(16,764,193)	▼		Net Negative Variance Attributable to Material Items	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
7,000,000	▲	Materials & Contractors	Infrastructure Services - Mulataga Development - Construction contract award now anticipated in July.	
2,007,265	▲	Employee Costs		Variances Corporate Services \$500k, Infrastructure \$1.0m and Community Experience \$500k due to vacancies, plant op costs and training and wellbeing program
1,380,063	▲	Materials & Contractors	City Projects - Wickham Oval Renovations - Turf Supply Delayed, waiting on final invoices.	
412,165	▲	Materials & Contractors	Community Planning - underspend due to delays in engaging contractors.	
404,275	▲	Other Expenses	Engagement & Partnerships - Community Grants, Large grants awarded but not yet paid.	
362,920	▲	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 May).	
332,519	▲	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)	
243,503	▲	Materials & Contractors	Arts, Culture & Events - Arts Development Activity & Events - Underspend due to timing	
184,409	▲	Materials & Contractors	The Quarter - Delays to receiving invoices for contracted works.	
180,314	▲	Materials & Contractors	Waste Services - General Waste & Recycling - Delay in Vendor Invoice from May - Expected June to clear.	
164,289	▲	Materials & Contractors	Facility Maintenance - Housing - Delays to receiving invoices for contracted works.	
131,427	▲	Materials & Contractors	Information Technology - Access Control Upgrades; Planned Cabinet upgrades; Backup repository supply chain problems; WCH CCTV appliance planned	
122,022	▲	Materials & Contractors	Parks & Natural Areas - Karratha Golf Course seasonal works in progress.	
119,880	▲	Depreciation		Depreciation - timing of capitalisations and gifting of new assets decreased depreciation expense.
101,886	▲	Materials & Contractors	Waste Services - Cell capping - Delay in vendor invoicing - Expected June 2026	
13,146,937	▲		Positive Variances	
(204,969)	▼	Utilities		Operations - Street Lights - Actuals higher than budgeted.

(178,116)	▼	Utilities	Parks & Natural Areas - Potable water costs due to limited Water Corp ERS supply.
(100,230)	▼	Materials & Contractors	Karratha Airport - Unbudgeted expenditure incurred for replacement of carpark equipment parts following cyclone damage (TC Mitchell & TC Narelle)
(483,315)	▼		Negative Variances
12,663,622	▲		Net Positive Variance Attributable to Material Items

Inflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
(190,700)	▲	Non Operating Grants	Operations - Ten Year Footpath Program - final funding milestone updated to June 2026.	
(190,700)	▼		Negative Variances	
(190,700)	▼		Net Negative Variance Attributable to Material Items	

Outflows - Investing Activities			Explanation of Variances	
Amount		Nature	Timing	Permanent
5,637,026	▲	Buildings	City Projects - Housing Development Baynton Apartments Bajamalu - Delay to fabrication of apartment, monitoring for carry forward unless Contractor can make back time.	
1,633,652	▲	Footpaths	Operations - Ten Year Footpath Program - Works progressing and invoices received.	
708,660	▲	Parks & Open Spaces	City Projects - Andover Park Stage 2 - Delayed procurement, full year budget remains on track for spend this financial year.	
621,554	▲	Plant	Fleet & Plant - Sanitation - Street sweeper ordered, expected delivery June 2026.	
612,320	▲	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.	
598,378	▲	Parks & Open Spaces	Parks & Natural Areas - Playground Replacement/Upgrades Works to be completed in June.	
400,000	▲	Parks & Open Spaces	Operations - Kerb Renewals - Delayed, rollover requested to 26/27 FY.	
398,255	▲	Buildings	Facility Maintenance - Karratha Leisureplex - Delays to receiving invoices for contracted works.	
372,196	▲	Plant	Fleet & Plant - Parks & Gardens - CAT920 Wheel Loader ordered waiting for delivery.	
294,900	▲	Furniture & Equipment	Information Technology - Hardware Refresh - Delays in equipment purchases.	
261,957	▲	Parks & Open Spaces	Parks & Natural Areas - Replace Park Furniture/Fencing - Works commencing in June	
258,746	▲	Infrastructure Misc Structures	City Projects - Roebourne Recreation Precinct Master Plan - Delayed, rollover requested to 26/27 FY.	
250,000	▲	Roads	Operations - Sams Creek Intersection Upgrade - works not started. Carried forward to 26/27 Budget.	
249,059	▲	Parks & Open Spaces	Parks & Natural Areas - ERS Upgrade - Works in progress 2 of 3 projects completed.	
171,843	▲	Equipment	Karratha Airport - Checked Bag Screening Replacement Project installation delayed.	
164,861	▲	Furniture & Equipment	Arts, Culture & Events - PA system RFQ is pending return of quotes and spend of variance expected June 2026.	
160,660	▲	Infrastructure Misc Structures	Waste Services - Delay in Procurement of Solar Generator - RFQ April 2026. Rollover requested to 26/27 FY.	
160,000	▲	Roads	Engineering & Asset Management - De Witt/Dampier Rd Intersection upgrade,. Contract has been awarded works to start in June 26.	
150,000	▲	Infrastructure Misc Structures	Waste Services - Delay in Procurement of CCTV upgrade. Rollover requested to 26/27 FY.	
134,339	▲	Infrastructure Misc Structures	City Projects - KRMO Multi Use Hardcourts & Lighting - Delayed due to Geotechnical Results.	
100,539	▲	Buildings	Facility Maintenance - Karratha Airport - Works completed for Fire Upgrades and a approved variation for works.	
13,338,945	▲		Positive Variances	

(588,275)	▼	Buildings	Facility Maintenance - Housing - Shakespeare apartments works being completed ahead of budgeted schedule.	
(225,636)	▼	Investment Property	The Quarter - Office Fit out works - to be adjusted in 26/27 Budget.	
(813,911)	▼		Negative Variances	
12,525,034	▲		Net Positive Variance Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
0	▲		Positive Variances	
(9,692,265)	▼	Reserves		Transfers to Reserve - current year transfers recognised in budget but not yet reconciled for transfer
(9,692,265)	▼		Negative Variances	
(9,692,265)	▼		Net Negative Variance Attributable to Material Items	