City of Karratha

Variance Commentary

As at 30 September 2026

Revenue - Operating Activities			Explanation of Variances	
Amount		**Nature**	**Timing**	**Permanent**
2,325,223	▲	Operating Grants	Community Facilities - Wickham Recreation Contribution from RTIO invoiced earlier than budgeted.	
235,157	▲	Fees & Charges		The QRT - Rental income is attributable to a greater number of occupied tenancies than anticipated during budget preparation, resulting in increased rental revenue.
130,267	▲	Fees & Charges	Karratha Airport - Higher passenger numbers than forecasted which has led to an increase in revenue.	
126,279	▲	Fees & Charges	Karratha Airport - Annual Rent increase was not incorporated into the budget and will be corrected at budget review.	
102,213	▲	Rates	Rates - Variance relates to the timing of rate concessions being processed.	
2,919,139	▲		**Positive Variances**	
(5,663,400)	▼	Operating Grants	Mulataga Development - Delay in award of contract by Development WA. Final claim to be submitted upon contract commencement.	
(3,767,232)	▼	Operating Grants	City Projects - Contributions from Woodside, Rio and Development WA towards Bathgate Road are subject to timing, with the variance expected to be reflected in the following reporting period.	
(436,441)	▼	Operating Grants	City Projects - Regional Road Group and Department of Transport contributions are subject to timing of funding and payment arrangements, with the variance expected to be reflected in the following reporting period.	
(355,905)	▼	Operating Grants	Financial Services - Revenue shortfall due to upfront payment being larger than anticipated creating a lower than anticipated quarterly payment through the 26/27 year.	
(1,547,657)	▼	Fees & Charges		Waste - Continued decline in contamination waste streams. Review to be undertaken to reduce budget at next review.
(288,858)	▼	Interest		Interest Income lower than previous estimates due to timing of transfers and current interest rates.
(12,059,493)	▼		**Negative Variances**	
(9,140,354)	▼		**Net Negative Variance Attributable to Material Items**	

Expenditure - Operating Activities			Explanation of Variances	
Amount		**Nature**	**Timing**	**Permanent**
5,296,700	▲	Materials & Contractors	Infrastructure Services - Mulataga Development - Delay in award of contract by Dev WA. Next payment to be made to Dev WA upon contract commencement.	
1,303,955	▲	Materials & Contractors	City Projects - Wickham Recreation Precinct - currently below budget due to works being resequenced following an approved variation. The variance is expected to reduce in the coming month as project delivery progresses.	
1,170,404	▲	Materials & Contractors	Information Technology - The variance is due to the monthly recognition of prepayments, resulting in expenditure being recognised progressively over the relevant period.	
752,250	▲	Materials & Contractors	Business Performance - ERP Project Office - consultation activities being in the early stages. Costs associated with the Property & Rating module are expected to be incurred in upcoming months.	
581,040	▲	Materials & Contractors	Facility Maintenance - Hampton Oval - Contractor availability issues delaying works at Hampton Oval. Expenditure is expected to occur in future reporting periods as works are completed.	
547,168	▲	Other Expenses	Community Development & Youth Service - Large Community Grants awaiting acquittal or due for their next milestone payment.	
284,318	▲	Materials & Contractors	Waste Services - Waste Management - Delay in procurement process.	

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274,223	▲	Materials & Contractors	Planning Services - Karratha City Centre Precinct Structure Plan project underway Coastal Hazard Risk Management Adaptation Plan project has progressed with the Draft Hazard Assessment received by the City (being reviewed) The contract for the Gap Ridge North Technical Feasibility Study has progressed with Concept Plan developed (being reviewed) It is anticipated that the active progression of these three projects will increase expenditure on Strategic Planning & Lands projects in the first half of the 2026/27 financial year	
236,785	▲	Materials & Contractors	Waste Services - Waste Facility - Road Maintenance - due to scheduled road maintenance works not yet commencing.	
205,127	▲	Materials & Contractors	Parks & Natural Areas - Karratha Golf Course/Bowling Club - due to the timing of maintenance activities aligned with scheduled tournaments.	
202,412	▲	Materials & Contractors	Strategic Projects - Strategic urban design and landscape advice for The Quarter Hotel - Development Expenditure is below budget as strategic urban design and landscape advice for The Quarter Hotel Development has not yet commenced.	
179,384	▲	Other Expenses	City Growth - Major grant awaiting previous year acquittal to make current year payment.	
147,752	▲	Employee Costs		People & Culture - Training and recruitment activities were lower than forecast, leading to reduced expenditure compared to budget.
146,935	▲	Interest	Bulgarra Housing Development - Drawdowns occurring behind budgeted schedule, reducing interest and financial charges.	
138,256	▲	Materials & Contractors	Waste - General Waste - Delayed vendor invoicing. Expenditure is expected to align with budget once outstanding invoices are received and processed.	
11,466,709	▲		**Positive Variances**	
(3,579,334)	▼	Depreciation	Depreciation - Depreciation to be allocated appropriately as reconciliation work completed.	
(3,579,334)	▼		**Negative Variances**	
7,887,375	▲		**Net Positive Variance Attributable to Material Items**	

Outflows - Investing Activities			**Explanation of Variances**	
Amount		**Nature**	**Timing**	**Permanent**
2,357,371	▲	Infrastructure Misc Structures	Waste Services - 7 Mile Waste Facility Cell Development - Construct - Works are progressing in line with expectations, with the next progress claim currently pending submission. The associated expenditure will be reflected in the following reporting period.	
1,975,046	▲	Buildings	City Projects - Housing Development Baynton Apartments Bajamalu - Delay to fabrication of apartments.	
1,134,625	▲	Plant	Fleet & Plant - 7 Mile Waste Facility - Rubbish compactor purchase scheduled to proceed in November.	
829,298	▲	Equipment		Karratha Airport - Checked Baggage Screening project has been rescheduled to occur in Mar/Apr 2027.
496,193	▲	Plant	Fleet & Plant - Parks & Gardens - Bobcat on order, with delivery expected in December.	
478,850	▲	Aerodrome	Karratha Airport - Airside Upgrade - Airside internal road renewal works have been delayed due to staffing availability, with completion scheduled for November.	
390,399	▲	Parks & Open Spaces	City Projects - Wickham Bike Facility - delays in the procurement and award process, with works now progressing.	
385,795	▲	Furniture & Equipment	Information Technology - Hardware Refresh - Delays in equipment purchases.	
370,832	▲	Infrastructure Misc Structures	City Projects - Roebourne Recreation Precinct Master Plan - Capital - due to a delayed project start, cashflow to be realigned to the revised project timeline.	
350,000	▲	Roads	Operations - Sams Creek Intersection Upgrade - delays in the procurement and award process.	

326,601	▲	Parks & Open Spaces	Parks & Natural Areas - ERS Upgrade - below budget due to procurement and supply lead times, along with contractor availability for specialised assets.	
315,944	▲	Roads	City Projects - Bayview Rd Culvert Replacement - works progressing with payment pending achievement of the next project milestone.	
311,765	▲	Parks & Open Spaces	City Projects - Golf Course Maintenance Compound - due to the timing of processing the current project claim.	
220,000	▲	Infrastructure Misc Structures	Karratha Leisureplex - Masterplan CIP - due to a delay in commencement, with works now progressing.	
200,000	▲	Parks & Open Spaces	City Projects - Rectangle Fields Masterplan - delays in the procurement and award process, with works now progressing.	
197,211	▲	Buildings	City Projects - Karratha Airport Airfield Cable & Lighting Upgrade - Project delayed due to consultations with Aboriginal Cultural Heritage.	
189,433	▲	Parks & Open Spaces	Parks & Natural Areas - Ovals - The replacement of synthetic turf at various cricket facilities has been impacted by procurement lead times associated with seasonal contracted works. Expenditure will be reflected as the works progress.	
187,543	▲	Parks & Open Spaces	Parks & Natural Areas - Replace Park Furniture/Fencing - due to the timing of procurement for replacement park furniture and fencing.	
153,092	▲	Roads	City Projects - Bulgarra Master Planning Three Sporting Precincts - Contract awarded in July, with works now underway.	
152,700	▲	Infrastructure Misc Structures	Waste - Capital Infrastructure - Landfill - due to the timing of procurement for oil bunds and transfer station bins.	
141,662	▲	Footpaths		Engineering & Asset Management - The Ranges Footpath Design - Project Delayed.
120,000	▲	Plant	Fleet & Plant - Ranger Services - due to the timing of vehicle and equipment purchases, with one vehicle on order and two K9 cubes scheduled to be ordered in October.	
117,100	▲	Aerodrome	City Projects - Airport Runway Extension RESA - Project delayed due to consultations with Aboriginal Cultural Heritage.	
100,000	▲	Aerodrome	Karratha Airport - Fencing project delayed, however anticipate works to commence in Q3.	
11,501,460	▲		**Positive Variances**	
(417,772)	▼	Footpaths		Operations - Ten Year Footpath Program - Budget allocation to be adjusted as part of the 2026/27 Q2 Budget Review.
(163,819)	▼	Investment Property		The Quarter - Office Fit out works - Budget allocation to be adjusted as part of the 2026/27 Q2 Budget Review.
(581,591)	▼		**Negative Variances**	
10,919,869	▲		**Net Positive Variance Attributable to Material Items**	

Outflows - Financing Activities			**Explanation of Variances**	
Amount		**Nature**	**Timing**	**Permanent**
0	▲		**Positive Variances**	
(19,433,786)	▼	Reserves	Transfers to Reserve - current year transfers recognised in budget but not yet reconciled for transfer	
(19,433,786)	▼		**Negative Variances**	
(19,433,786)	▼		**Net Negative Variance Attributable to Material Items**	

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