

# City of Karratha

## Variance Commentary

As at 30 June 2025

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
3,413,698	▲	Fees & Charges		Waste Services - Significant increase in contaminated soil received for disposal
737,429	▲	Fees & Charges	Karratha Airport - Lease billing done 2 months in advance and will be transferred to 25/26 Financial Year.	
364,726	▲	Interest		Interest Income exceeds previous estimates due to higher interest rates
118,750	▲	Operating Grants		Wickham Community Hub - Rio Tinto funding greater than advised at budget.
118,740	▲	Fees & Charges		Karratha Leisureplex - Better than expected performance
<b>4,753,342</b>	▲		<b>Positive Variances</b>	
(54,899)	▼	Operating Grants	City Growth - CIM revenue received with no outstanding revenue expected. Shortfall due to a pre-FY24/25 budget estimation error. Resolved	
(57,340)	▼	Rates	Rates - Ex Gratia Rates to be processed	
(61,862)	▼	Other		Waste Services - June scrap metal collection rescheduled to August
(631,971)	▼	Operating Grants	Community Facilities - End of year adjustments required for Roebourne Aquatic Centre and Ovals & Hardcourts	
(1,179,153)	▼	Operating Grants		Financial Services - Change in Accounting policy for FAGS recognition
(1,618,456)	▼	Operating Grants		Engineering Services - Project delays caused delay in milestones for claiming of contributions
(2,550,000)	▼	Operating Grants		Partnerships - Funds received in full though allocated at budget to individual project accounts
(2,680,568)	▼	Fees & Charges	Karratha Airport - Landing, Passenger fees, Security fees and Rental Cars rentals for June to be processed during end of year adjustments	
<b>(8,834,249)</b>	▼		<b>Negative Variances</b>	
<b>(4,080,906)</b>	▼		<b>Net Negative Variance Attributable to Material Items</b>	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
876,227	▲	Depreciation		Depreciation - Minor variances across cost centres due to timing of capitalisations.
282,748	▲	Materials & Contractors	Waste Services - Invoice for Tip Shop office extension not received in June. Transfer Station wall repair cost journaled to capital expenditure	
205,644	▲	Materials & Contractors	Karratha Airport - Security FOH labour costs pending reallocation due to end of year adjustments. Timing of costs related to the Route Development Consultant	
168,018	▲	Materials & Contractors	Waste Services - June waste collection invoice not received	
135,178	▲	Materials & Contractors		Engineering Services - Underspent as one of the projects (i.e., Bathgate Rd Upgrade, approx. \$140K) was handed over to City Projects for delivery.

133,687	▲	Materials & Contractors	Engagement & Partnerships - 2 x RFQs not awarded. Funds carried forward	
112,510	▲	Materials & Contractors	Parks & Gardens - Karratha Golf Course/Bowling Club - Delays to invoicing for works	
82,566	▲	Materials & Contractors		Marketing - Anticipated expenditure not incurred due to WA showcase event not taking place this financial year
74,677	▲	Materials & Contractors		Parks & Gardens - Reduced scope of works and contractor delays for slashing and pruning works
50,000	▲	Materials & Contractors		Business Transformation - Additional consulting services planned for not utilized due to internal staff capability and skill uplift as well as new executive expertise providing guidance and support.
<b>2,121,255</b>	▲		<b>Positive Variances</b>	
(113,723)	▼	Utilities		Karratha Airport - Higher power usage due to increased activity at the Airport
(131,167)	▼	Materials & Contractors		ERP - 350k to be carried forward of prepayment of SaaS fees.
(150,867)	▼	Utilities		Parks & Gardens - Using Potable water instead of ERS water due to availability from Water Corp and cheaper than Tier 2 rates from WWTP, for Baynton West & Nickol West
(171,305)	▼	Materials & Contractors		The Quarter - Additional reglazing works due to vandalism.
(3,015,565)	▼	Employee Costs		Employment Costs - Variances across the City attributable to full staffing capacity, plant op costs and overheads
<b>(3,582,626)</b>	▼		<b>Negative Variances</b>	
<b>(1,461,371)</b>	▼		<b>Net Negative Variance Attributable to Material Items</b>	

Inflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
517,335	▲	Non Operating Grants	Operations - Footpath & Kerb Maintenance - end of year adjustments required for shared footpath projects	
<b>517,335</b>	▲		<b>Positive Variances</b>	
<b>517,335</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,637,689	▲	Infrastructure	Karratha Leisureplex Oval Lighting Replacement - end of year adjustments required	
1,353,420	▲	Infrastructure		Coolawanyah & Dewitt Rd Intersection Reconstruction - Delays to contractors returning to site and approval delays for works.
1,294,073	▲	Infrastructure		Operations - Road Reseal Program delayed
1,200,000	▲	Work in Progress		Andover Park Stage 2 - Project on hold, cancellation of Concrete contractor has prevented these works from commencing.
894,865	▲	Equipment		Karratha Airport - Checked Baggage Screening machine replacement contract delayed, tender has been awarded will be carried forward into 25/26 Financial Year.
667,501	▲	Work in Progress	Back Beach Jetty - Delay in project due to contractor availability.	
630,443	▲	Buildings		
607,308	▲	Infrastructure	Karratha Airport - Airside Upgrade - Carry forwarded to FY25/26	
473,340	▲	Furniture & Equipment	Information Technology - Hardware - Purchase of laptops, monitors and accessories delayed due to programmed phasing of works.	
324,701	▲	Work in Progress	Karratha Airport Furniture & Equipment - Delay in project to install additional cameras throughout the airport and terminal seating. Carry forward to FY25/26	

294,273	▲	Infrastructure	Playground Replacements/Upgrades - Contractor unavailable to complete works until September 2025 - funds carried forward for works	
275,754	▲	Plant	Parks & Gardens - Fleet - Purchase of Truck has been delayed.	
275,105	▲	Infrastructure	Cemetery Enhancement - Delays to works startng - Carry forward of Funds for works	
246,730	▲	Work in Progress		Cherratta and Woodbrook Road Resheeting - Direct employment costs for capital works not budgeted for
205,415	▲	Infrastructure	Park Enhancement - Delays to works startng - Carry forward of Funds for works	
163,584	▲	Furniture & Equipment	Community Programs - REAP - Trailer Stage purchase delayed	
160,000	▲	Work in Progress	Wickham Rec Hard Court Shade Design - Design progressing well, underspend relates to cashflow forecast, Project is on track.	
144,098	▲	Work in Progress		Roebourne Community Hall - Delays due to Master Plan works contradicting this scope of works
103,700	▲	Infrastructure	ERS Upgrade - Delays to works startng - Carry forward of Funds for works	
100,675	▲	Infrastructure	Karratha Airport - Fencing - Delayed due to contractor availability, carried forward to FY25/26	
100,000	▲	Work in Progress	De Grey Street Pedestrian Bridge Remedial Works - Delay in project due to contractor availability.	
98,493	▲	Infrastructure		Parks & Gardens - Delays to completion of athletics installation works
51,980	▲	Furniture & Equipment	Community Facilities - Commitments for equipment purchases made for aquatics and fitness. Currently tracking as expected.	
50,000	▲	Work in Progress		46 Roe Street - Delays due to design approvals and additional budget required for works
<b>11,353,146</b>	▲		<b>Positive Variances</b>	
(49,485)	▼	Plant	Community Facilities - year end adjustments required	
(66,972)	▼	Investment Property		The Quarter - Unplanned Reactive works completed.
(68,494)	▼	Work in Progress	City Growth - Costs associated with establishment of the Overflow. On completion, the total expenditure will be covered by a journal transfer from the Economic Development Reserve	
(98,388)	▼	Infrastructure		Waste Services - Transfer Station wall repair cost journaled from operational expenditure
(269,116)	▼	Buildings	Building Maintenance - Capital Housing works - Project delay, awaiting completion.	
(831,863)	▼	Equipment		Building Maintenance, WWTP - Budgeted in a Waste account and moved to a Building Maintenance account which was unbudgeted. Project was budgeted due to the WWTP failing and requiring replacement for compliance
<b>(1,384,317)</b>	▼		<b>Negative Variances</b>	
<b>9,968,829</b>	▼		<b>Net Negative Variance Attributable to Material Items</b>	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
31,282,828	▲	Reserves	Transfers to Reserves - End of Year reconciliation of all transfers ongoing	
<b>31,282,828</b>	▲		<b>Positive Variances</b>	
(25,450,724)	▼	Reserves	Transfers from Reserves - End of Year reconciliation of all transfers ongoing	
<b>(25,450,724)</b>	▼		<b>Negative Variances</b>	
<b>5,832,105</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	