

# City of Karratha

## Variance Commentary

As at 31 May 2025

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
2,752,440	▲	Fees & Charges		Waste Services - Received more class 3 contaminated waste than forecast.
434,061	▲	Fees & Charges		Karratha Airport - Lease billing done 2 months in advance and will be transferred to 25/26 Financial Year.
393,889	▲	Interest		Interest Income exceeds previous estimates due to higher interest rates, by end of financial year these will taper off as interest rates decline.
248,471	▲	Fees & Charges		Karratha Airport - Revenue for landings and passengers has exceeded the ytd budget, reflecting a better than expected result
128,322	▲	Fees & Charges	Community Programs - FeNaCIng festival - Stall holder income received in Advance.	
50,383	▲	Fees & Charges		Karratha Leisureplex - Increased performance across all admission areas
<b>4,007,567</b>	▲		<b>Positive Variances</b>	
(2,330,229)	▼	Operating Grants	SP&I - Project Management - Awaiting partnership income to be journaled over for the Light purchase and the Shade design.	
(1,947,056)	▼	Operating Grants	Financial Services - Change in Accounting policy for FAGS recognition. FAGS Grant not yet received	
(538,674)	▼	Other		Loss on Asset Disposal - Disposal losses on KATS club and various Roads
(298,649)	▼	Operating Grants	Community Facilities - Ovals & Hardcourts funding - Delay in invoicing. Invoice sent 13 June 2025.	
(57,340)	▼	Rates	Rates - Ex Gratia Rates to be processed	
(50,000)	▼	Operating Grants	Karratha Airport - The funding is for Indian Ocean Territories (IOT) project which has been delayed due to other priorities and will be completed by June.	
<b>(5,221,948)</b>	▼		<b>Negative Variances</b>	
<b>(1,214,381)</b>	▼		<b>Net Negative Variance Attributable to Material Items</b>	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
566,806	▲	Materials & Contractors	Information Technology - Delays to invoices being paid for Annual Subscription costs	
460,229	▲	Depreciation		Depreciation - Minor variances across cost centres due to timing of capitalisations.
366,213	▲	Other Expenses	Waste Services - 7 Mile - Expenditure for tip shop office extension to be incurred in June.	
346,355	▲	Materials & Contractors	Sanitation - Invoices not yet received for Karratha Leisureplex, Karratha Airport, and Karratha & Dampier Litter	
314,319	▲	Insurance	Financial Services - Rates - Delay in invoice for Re-valuation expenses	
269,274	▲	Materials & Contractors	Operations - Footpath & Kerb Maintenance - Program delayed	
157,093	▲	Materials & Contractors	Engagement & Partnerships - Community Development RFQ not awarded and will be re-advertised	
138,299	▲	Materials & Contractors	City Growth - Economic Development Initiatives Projects Delayed. We have submitted this as a budget carry-over into 25/26 Financial Year.	
136,821	▲	Materials & Contractors	Karratha Airport - timing of invoice related to the Route Development Consultant to be received in June.	
132,039	▲	Materials & Contractors	Community Facilities - WRP utilities have been paid by WCH utilities	
130,163	▲	Materials & Contractors	Waste Services - Budget for Landfill cell design. Expenditure will be incurred in June.	
94,662	▲	Materials & Contractors	Parks & Gardens - Delay in invoices for slashing and top soiling at Millars Well Oval and Karratha Open Spaces.	

66,162	▲	Materials & Contractors		Parks & Gardens - Incorrect estimations for water use within Budget
61,335	▲	Materials & Contractors	Engagement & Partnerships - Community Development	
			Medical Services Subsidy budget not fully expended.	
58,554	▲	Materials & Contractors	Street Lights - Delay in invoices	
<b>3,298,323</b>	▲		<b>Positive Variances</b>	
(765,721)	▼	Employee Costs		Employment Costs - Variances across the City attributable to full staffing capacity, plant op costs and overheads
(96,029)	▼	Materials & Contractors		Building Maintenance - The Quarter - Unforeseen Reactive Works for reglazing due to vandalism.
(70,632)	▼	Materials & Contractors		Parks & Gardens - Unforeseen Reactive Works for tree maintenance from Cyclone Sean.
<b>(932,382)</b>	▼		<b>Negative Variances</b>	
<b>2,365,941</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Inflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
(61,417)	▼	Non Operating Grants	SP&I - Local Roads & Community Infrastructure (LRCI) funding received for KRMO Lighting and Coolawanyah Dewitt Road delayed.	
<b>(61,417)</b>	▼		<b>Negative Variances</b>	
<b>(61,417)</b>	▼		<b>Net Negative Variance Attributable to Material Items</b>	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,353,420	▲	Infrastructure	Coolawanyah & Dewitt Rd Intersection Reconstruction - Delays to contractors returning to site and approval delays for works.	
942,558	▲	Infrastructure	Parks & Gardens - Parks/Cemetery/Streetscape Enhancements delayed due to contractor availability.	
904,081	▲	Infrastructure	Ten Year Footpath Program delayed and off track due to Contractor availability	
754,238	▲	Equipment		Karratha Airport - Checked Baggage Screening machine replacement contract delayed, tender has been awarded will be carried forward into 25/26 Financial Year.
700,000	▲	Work in Progress		Andover Park Stage 2 - Project on hold, cancellation of Concrete contractor has prevented these works from commencing.
552,141	▲	Buildings	Housing/Hancock Way - Awaiting invoices for committed works.	
527,064	▲	Buildings	Operations Centre - Progress claim submitted for A/C upgrade waiting on invoices.	
473,340	▲	Furniture & Equipment	Information Technology - Hardware - Purchase of laptops, monitors and accessories delayed due to programmed phasing of works.	
470,389	▲	Infrastructure	Road Reseal Program delayed. Dampier Reseal scheduled for June	
362,204	▲	Infrastructure	Parks & Gardens - Effluent Reuse System (ERS) upgrade - Delays to invoices being received.	
291,195	▲	Buildings	Karratha Leisureplex - Works Completed awaiting final invoices.	
249,360	▲	Infrastructure	KRMO Oval Playing Surface & Lighting - Final claim due in April/May, variance relates to timing of cash flows	
249,176	▲	Infrastructure		Karratha Airport Water Mains - Awaiting invoices for committed works.
246,730	▲	Work in Progress		Cherratta and Woodbrook Road Resheeting - Direct employment costs for capital works not budgeted for
174,690	▲	Buildings	Building Maintenance - Main Administration Building renovation - awaiting final invoices.	
164,040	▲	Work in Progress	KRMO Stadium Terraced Seating - Works planned for June, on track	
163,584	▲	Furniture & Equipment	Community Programs - REAP - Trailer Stage purchase delayed	
150,188	▲	Work in Progress	Back Beach Jetty - Delay in project due to contractor availability.	

123,010	▲	Infrastructure	Reader Head Lookout - Works planned to take place in May/June.	
115,000	▲	Work in Progress	Wickham Rec Hard Court Shade Design - Design progressing well, underspend relates to cashflow forecast, Project is on track.	
103,700	▲	Infrastructure		Karratha Airport - Fencing - Delays due to contractor availability, carry forward to 25/26 Financial Year.
65,754	▲	Plant	Parks & Gardens - Fleet - Purchase of Truck has been delayed.	
56,318	▲	Buildings	Building maintenance - REAP building improvements awaiting final invoices.	
51,980	▲	Furniture & Equipment	Community Facilities - Commitments for equipment purchases made for aquatics and fitness. Currently tracking as expected.	
50,000	▲	Work in Progress	De Grey Street Pedestrian Bridge Remedial Works - Delay in project due to contractor availability.	
<b>9,294,159</b>	▲		<b>Positive Variances</b>	
(309,233)	▼	Plant	Karratha Airport - Purchase of Skid Steer and 4x4 Tractor earlier than expected.	
(56,378)	▼	Investment Property		The Quarter - Unplanned Reactive works completed.
<b>(365,611)</b>	▼		<b>Negative Variances</b>	
<b>8,928,548</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
(3,176,907)	▼	Reserves	Transfer to Reserves - Interim reconciliation completed, some transfers from Infrastructure Reserve actioned prior to end of year	
<b>(3,176,907)</b>	▼		<b>Positive Variances</b>	
<b>(3,176,907)</b>	▼		<b>Net Negative Variance Attributable to Material Items</b>	