

City of Karratha

Variance Commentary

As at 31 January 2026

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.
2,410,000	▲	Operating Grants	City Projects - Wickham Hardcourt Shade - Rio Tinto Funding received ahead of schedule	
1,588,151	▲	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	
479,618	▲	Fees & Charges	Waste Management - Residential Waste Management income budget was spread over 12 months - received all annual income in August via rates.	
242,490	▲	Fees & Charges		Karratha Leisureplex - Increase in memberships has led to an increase in revenue
240,000	▲	Operating Grants		City Growth - First instalment of the Housing Support Program grant to cover salary of the Housing Financial Analyst role
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
122,246	▲	Fees & Charges		Planning Services - High fee development applications for Perdanan Solar Farm and Bulgarra apartment developments as well as some larger industrial development applications.
113,814	▲	Other		Fleet & Plant - Fuel Tax Credits and insurance claim reimbursements
15,049,655	▲		Positive Variances	
(6,632,300)	▼	Operating Grants	Mulataga Development - Milestone 2 payment not yet received. Due in June.	
(480,000)	▼	Operating Grants		Partnerships - Funds received in full though allocated at budget to individual project accounts
(364,000)	▼	Operating Grants	Community Facilities - Income for Department of Education Joint Use Agreement yet to be received	
(254,970)	▼	Interest	Bulgarra Housing Development - Interest lower than expected due to timing of loan drawdowns	
(247,858)	▼	Fees & Charges		Interest Income lower than previous estimates due to lower interest rates.
(7,979,128)	▼		Negative Variances	
7,070,527	▲		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.	
567,267	▲	Materials & Contractors	Community Planning - Significant YTD underspend due to timing of projects delivery and delayed expenditure, spend expected to increase later in the year.	
499,418	▲	Materials & Contractors	Engineering - Design & Investigations - Delays in RFQ/RFT contract awards due to contract discussions with suppliers.	
443,550	▲	Materials & Contractors	Waste Services - Cell capping procurement of gas flare generator expected in March.	

372,699	▲	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)	
272,704	▲	Interest	Bulgarra Housing Development - Interest lower than expected due to timing of loan drawdowns	
247,748	▲	Materials & Contractors	Waste Services - Cell construction consultancy RFT advertised in January 2026	
217,317	▲	Other Expense	Engagement & Partnerships - Community Grants, Large grant round not yet finalised.	
213,396	▲	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	
7,834,098	▲		Positive Variances	
(2,345,937)	▼	Employee Costs		Employment Costs - Variances across the City attributable to full staffing capacity, plant op costs and overheads
(600,977)	▼	Materials & Contractors	FeNaCiNg - 2025 invoices received late and 2026 deposits being paid.	
(575,039)	▼	Insurance		Insurance - Performance Based Adjustments for workers compensation, no budget allocated
(385,569)	▼	Depreciation		Depreciation - timing of capitalisations and gifting of new assets increased depreciation expense. To be reviewed at Q2.
(242,112)	▼	Materials & Contractors	Karratha Airport - Carpark equipment reactive repairs and apron linemarking undertaken ahead of schedule,	
(121,452)	▼	Materials & Contractors		Karratha Airport - Change in software provider for Airport operations resulted in the first-year licence and implementation fee being paid upfront.
(107,793)	▼	Loss on Assets		Operations - asset disposal in relation to Dampier reseal
(4,378,879)	▼		Negative Variances	
3,455,219	▲		Net Positive Variance Attributable to Material Items	

Inflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
751,321	▲	Non Operating Grants	City Projects - Black Spot funding received for Coolawanyah and De Witt Roads	
151,518	▲	Non Operating Grants	Operations - Point Samson Entry Statement - Designs delayed - detailed design to be presented at February OCM	
902,839	▲		Positive Variances	
(181,700)	▼	Non Operating Grants	Operations - Ten Year Footpath Program - final funding milestone updated to May 2026.	
(181,700)	▼		Negative Variances	
721,139	▲		Net Positive Variance Attributable to Material Items	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
4,296,206	▲	Buildings	City Projects - Housing Development Baynton Apartments Bajamalu - Delayed execution of Development Agreement for construction works.	
1,789,300	▲	Footpaths	Operations - Ten Year Footpath Program - Contract awarded, works to commence February 2026	
1,499,130	▲	Infrastructure Misc Structures	Waste Services - 7 Mile Waste Cell Development construction - Works delayed.	
1,451,000	▲	Parks & Open Spaces	Operations - Kerb Renewals - tender awarded, works to commence February 2026.	
1,399,096	▲	Parks & Open Spaces	City Projects - Golf Course Maintenance Compound Design & Construction - Delayed procurement activity resulting in delayed start.	
1,333,077	▲	Equipment	Karratha Airport - Pending receipt of invoice for the next milestone payment for Checked Baggage Screening Equipment.	
1,326,029	▲	Buildings	City Projects - Hancock Way Housing Construction - Changes to works program onsite impacting claims schedule.	
1,313,764	▲	Roads	Operations - Road Reseal Program - Local reseals delayed due to pending kerbing and footpath works	

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.	
1,171,641	▲	Buildings		Building Maintenance - Karratha Airport - Project delay for Checked Bagged Screening machine, to be adjusted at Q2.
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
727,453	▲	Buildings	Building Maintenance - Karratha Leisureplex - Delays due to procurement of Materials.	
704,371	▲	Infrastructure Misc Structures	Waste Services - Waste Water Treatment Plant - New WWTP installed. Budget to be transferred to Building Maintenance at Q2.	
512,725	▲	Buildings	Building Maintenance - Operations Centre - Awaiting final project claim for Air conditioner.	
457,000	▲	Infrastructure Misc Structures	City Projects - Delays to completion of works for CBD public toilets, Community Storage Sheds and Dampier Townsite Enhancement	
438,249	▲	Infrastructure Misc Structures	City Projects - Roebourne Streetscape Master Plan - Delay to completion of works, impacting progress claim values.	
379,936	▲	Parks & Open Spaces	Parks & Gardens - ERS Upgrade - Works in progress 2 of 3 projects completed.	
280,171	▲	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)
250,000	▲	Infrastructure Misc Structures	Operations - Point Samson Entry Signage - Awaiting council approval in February to start fabrication and installation.	
249,417	▲	Aerodrome	Building Maintenance - Airport Water Mains Pipe Replacement - Works have commenced, pending project milestones	
242,859	▲	Buildings	Building Maintenance - Frank Butler Community Centre - Delay in project start date.	
236,246	▲	Plant	Fleet & Plant - Parks & Gardens - 1 x Isuzu Truck delivered, invoice to be processed and waiting on delivery & invoice of Hino Truck.	
226,915	▲	Footpaths	Operations - Footpath Lighting Program - Developing formal RFQ	
206,910	▲	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	
200,000	▲	Infrastructure Misc Structures	Bulgarra Flood Mitigation - Delays in RFQ contract awards due to contract discussions with suppliers.	
200,000	▲	Parks & Open Spaces	Parks & Gardens - Streetscape and Park Enhancements - trees purchased for April/May 2026 install	
175,000	▲	Debentures	Financial Services - Loan, Dampier Shopping Centre - remaining available funds not yet drawn	
158,293	▲	Furniture & Equipment	Community Programs - REAP - PA System Renewal and replacement furniture yet to be progressed.	
110,000	▲	Plant	Fleet & Plant - Dozer rebuild scheduled for February 2026.	
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.	
71,366	▲	Investment Property		The Quarter - Unplanned Reactive works completed.
24,032,046	▲		Positive Variances	
0	▼		Negative Variances	
24,032,046	▲		Net Positive Variance Attributable to Material Items	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent

4,199,417	▲	Reserves		Transfers to Reserve - Waste Reserve prior year transfer actioned in 2025/26, and Strategic Reserve transfer yet to occur
4,199,417	▲		Positive Variances	
(12,030,819)	▼	Reserves	Transfers From Reserves - current year transfers recognised in budget but not yet reconciled for transfer	
(12,030,819)	▼		Negative Variances	
(7,831,402)	▼		Net Negative Variance Attributable to Material Items	