

# City of Karratha

## Variance Commentary

As at 28 February 2026

Revenue - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
1,654,673	▲	Fees & Charges		Karratha Airport - Growth in passenger numbers, increased flights and carpark revenue has led to an increase in revenue
1,537,487	▲	Operating Grants		Financial Services - Financial Assistance Grant Income received earlier than expected, to be rephased at Q2 review
149,277	▲	Fees & Charges		Karratha Leisureplex - Increase in memberships has led to an increase in revenue
132,227	▲	Other		Corporate Services - LG House Trust - increase to financial asset due to revaluation/change in Accounting policy by WALGA
124,510	▲	Other		Fleet & Plant - Fuel Tax Credits and insurance claim reimbursements
112,659	▲	Fees & Charges		Planning Services - High fee development applications for Perdaman Solar Farm and Bulgarra apartment developments as well as some larger industrial development applications.
<b>3,710,833</b>	▲		<b>Positive Variances</b>	
(343,133)	▼	Interest	Bulgarra Housing Development - Interest lower than expected due to timing of loan drawdowns	
(128,029)	▼	Fees & Charges	The Quarter - Due to vacancies and delayed tenant occupancy.	
(111,349)	▼	Interest		Interest Income lower than previous estimates due to timing of transfers and lower interest rates.
<b>(582,511)</b>	▼		<b>Negative Variances</b>	
<b>3,128,322</b>	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Expenditure - Operating Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
6,889,000	▲	Materials & Contractors	Mulataga Development - Second Payment to Development WA scheduled in May 2026 post contract award.	
698,655	▲	Materials & Contractors	Community Planning - Significant YTD underspend due to timing of projects delivery and delayed expenditure, spend expected to increase later in the year.	
625,947	▲	Depreciation		Depreciation - timing of capitalisations and gifting of new assets increased depreciation expense. To be reviewed at Q2.
528,252	▲	Materials & Contractors	Engineering - Design & Investigations - Delays in RFQ/RFT contract awards due to contract discussions with suppliers.	
440,145	▲	Materials & Contractors	Waste Services - Cell capping procurement of gas flare generator expected in March.	
424,689	▲	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)	
421,408	▲	Materials & Contractors		Community Programs - Underspend due to timing and limited programming, adjusted at Q2 budget review.
411,936	▲	Materials & Contractors	City Projects - Wickham Recreation Precinct - Multi Purpose Covered Courts. Pending Onsite Works Commencement.	
363,386	▲	Interest	Bulgarra Housing Development - Interest lower than expected due to timing of loan drawdowns	
280,835	▲	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	
176,093	▲	Other Expense	Engagement & Partnerships - Community Grants, Large grant round not yet finalised.	
<b>11,260,346</b>	▲		<b>Positive Variances</b>	
(2,565,335)	▼	Employee Costs		Employment Costs - Variances across the City attributable to full staffing capacity, plant op costs and overheads
(576,546)	▼	Insurance		Insurance - Performance Based Adjustments for workers compensation, no budget allocated
(122,647)	▼	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 reseat

(3,372,321)	▼		Negative Variances
7,888,025	▲		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 presented at February OCM	
902,839	▲		Positive Variances	
0	▼		Negative Variances	
902,839	▲		Net Positive Variance Attributable to Material Items	

Outflows - Investing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
5,787,638	▲	Buildings	City Projects - Housing Development Baynton Apartments Bajamalu - Delay to fabrication of appartments building pending Housing Indemnity Insurance issue.	
2,348,962	▲	Infrastructure Misc Structures	Waste Services - 7 Mile Waste Cell Development construction - Works delayed.	
2,139,300	▲	Footpaths	Operations - Ten Year Footpath Program - Contract awarded, works commenced February 2026	
1,498,406	▲	Parks & Open Spaces	City Projects - Golf Course Maintenance Compound Design & Construction - Delayed procurement activity resulting in delayed start.	
1,468,000	▲	Parks & Open Spaces	Operations - Kerb Renewals - tender awarded, Works have commenced and some invoices received. Behind on program currently.	
1,450,713	▲	Buildings	Building Maintenance - Karratha Airport - Project delay for Checked Bagged Screening machine, to be adjusted at Q2.	
1,448,958	▲	Roads	Operations - Road Reseal Program - Local reseals delayed due to pending kerbing and footpath works	
1,333,077	▲	Equipment	Karratha Airport - Changes in project timing and additional scope items, to be adjusted at Q2. Baggage Handling System software upgrade, Terminal Seating and Checked Bag Screening Replacement Project.	
1,293,950	▲	Buildings		Building Maintenance - Karratha Leisureplex - Delays due to procurement of Materials.
1,259,850	▲	Buildings	City Projects - Hancock Way Housing Construction - Pending payment of February Claim.	
1,226,061	▲	Aerodrome		Karratha Airport - Airside Upgrade - Apron lighting final design received January 2026. Airside road and drainage works have been rescheduled to Aug/Sept 2026
1,199,253	▲	Parks & Open Spaces	City Projects - Andover Park Stage 2 - Delayed procurement, full year budget remains on track for spend this financial year.	
704,371	▲	Infrastructure Misc Structures		Waste Services - Waste Water Treatment Plant - New WWTP installed. Budget to be transferred to Building Maintenance at Q2.
461,174	▲	Parks & Open Spaces	Parks & Gardens - ERS Upgrade - Works in progress 2 of 3 projects completed.	
369,785	▲	Parks & Open Spaces	Parks & Gardens - Streetscape and Park Enhancements - trees purchased for April/May 2026 install	
326,915	▲	Footpaths	Operations - Footpath Lighting Program - Developing formal RFQ	
267,000	▲	Infrastructure Misc Structures	City Projects - KRMO Old Pavilion Refurbishment - On hold, while Community Infrastructure Plan is Finalised	
254,277	▲	Roads	City Projects - Murujuga National Park Access Road (Conzinc Bay) - Stalled design delivery, scope changes impacting previous approval variation to design scope.	
239,023	▲	Buildings	Building Maintenance - Operations Centre - Awaiting final project claim for Air conditioner.	
222,662	▲	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	
222,107	▲	Infrastructure Misc Structures	City Projects - Roebourne Streetscape Master Plan - Delay to completion of works, impacting progress claim values.	
209,634	▲	Investment Property		The Quarter - Unplanned Reactive works completed.
200,000	▲	Infrastructure Misc Structures	Bulgarra Flood Mitigation - Works awarded and consultancy started - behind schedule.	

200,000	▲	Roads	Operations - Searipple Road Horizontal Curve Upgrade - Works near completion awaiting invoices.	
168,293	▲	Furniture & Equipment	Community Programs - REAP - PA System Renewal and replacement furniture yet to be progressed.	
149,191	▲	Infrastructure Misc Structures	City Projects - KRMO Multi Use Hardcourts & Lighting - Delayed due to Geotechnical Results.	
118,206	▲	Roads		Operations - Rosemary Road Pedestriation Bridge Remediation - Contract awarded for works, works occurring soon.
116,124	▲	Buildings	Building Maintenance - Frank Butler Community Centre - Delay in project start date.	
114,563	▲	Infrastructure Misc Structures	City Projects - KRMO Carpark Formalisation - Delayed due to Geotechnical Results, and sequenced for delivery following KRMO Hardcourt & Shade	
110,000	▲	Plant	Fleet & Plant - Dozer rebuild rescheduled for later in 2026.	
26,907,493	▲		<b>Positive Variances</b>	
0	▼		<b>Negative Variances</b>	
26,907,493	▲		<b>Net Positive Variance Attributable to Material Items</b>	

Outflows - Financing Activities		Explanation of Variances		
Amount		Nature	Timing	Permanent
0	▲		<b>Positive Variances</b>	
(20,661,018)	▼	Reserves		Transfers to Reserve - Waste Reserve prior year transfer actioned in 2025/26, and Strategic Reserve transfer yet to occur
(7,030,217)	▼	Reserves	Transfers From Reserves - current year transfers recognised in budget but not yet reconciled for transfer	
(27,691,235)	▼		<b>Negative Variances</b>	
(27,691,235)	▼		<b>Net Negative Variance Attributable to Material Items</b>	