CITY OF MANDURAH

NOTICE OF MEETING

SPECIAL MEETING OF COUNCIL

Members of Council are advised that a meeting will be held in the Council Chambers 83 Mandurah Terrace, Mandurah and the meeting will be Live streamed on:

Tuesday 20 May 2025 at 5.30pm

CASEY MIHOVILOVICH
Chief Executive Officer
15 May 2025

AGENDA

1. OPENING OF MEETING AND ANNOUNCEMENT OF VISITORS

Members of the public are advised that the Special Council Meeting is being livestreamed in accordance with the City's Council Meetings – Live Streaming, Recording and Electronic Attendance Policy. By being present at this meeting, members of the public consent to the City livestreaming and publishing their voice on the City's website. Members of the public are not subject to video livestreaming and only their voice will be captured. For further information on the Live streaming of Council Meetings please click here. Live Streaming of Council Meetings

2. ACKNOWLEDGEMENT OF COUNTRY

3. APOLOGIES

4. IMPORTANT NOTE

Members of the public are advised that any decisions made at the meeting tonight, can be revoked, pursuant to the *Local Government Act 1995*. Therefore, members of the public should not rely on any decisions until formal notification in writing by Council has been received.

5. AMENDMENT TO STANDING ORDERS

Modification to *Standing Orders Local Law 2016* - electronic attendance at meeting.

6. PUBLIC QUESTION TIME

Public Question time provides an opportunity for members of the public to ask a question of Council. For more information regarding Public Question Time please visit the City's website *mandurah.wa.gov.au* or telephone 9550 3787.

7. PRESENTATIONS

8. DEPUTATIONS

Any person or group wishing to make a Deputation to Council regarding a matter listed on this agenda for consideration must complete an application form. For more information regarding making a deputation please visit the City's website *mandurah.wa.gov.au* or telephone 9550 3787.

9. DECLARATIONS OF FINANCIAL, PROXIMITY AND IMPARTIALITY INTERESTS

10. QUESTIONS FROM ELECTED MEMBERS (WITHOUT DISCUSSION)

16.1 Questions of which due notice has been given

16.2 Questions of which notice has not been given

11. REPORTS

No.	***Item***	***Page No***	***Note***
1	Long Term Financial Plan and Council Financial Performance and Performance Policy	3 - 70	
2	Advertising Rate on the Dollar	71 - 92	

12. CONFIDENTIAL ITEMS

Nil

13. CLOSE OF MEETING

1	**SUBJECT:**	**Adoption of 2026-2035 Long Term Financial Plan and Council Financial Position and Performance Policy**
	DIRECTOR:	Business Services
	MEETING:	Special Council Meeting
	MEETING DATE:	20 May 2025

Summary

The City of Mandurah (the City) has reviewed its Long Term Financial Plan for 2026-2035 (Plan or LTFP) for Council's adoption for advertising. The Plan is intended to be a rolling document and seeks to provide a balanced budget for the next 10 years.

The LTFP provides an indication of a local government's long term financial sustainability and allows early identification of financial issues and their longer-term impacts. It shows the linkages between specific plans and strategies and enhances the transparency and accountability of the Council.

As part of the LTFP development, City officers are recommending a new rating strategy model which better reflects the cost escalations experienced by the City. To ensure alignment with the LTFP, the Rating Principle within the Financial Position and Performance Policy FCM-08 (Policy) has been amended for Council consideration.

Council is now requested to adopt for advertising the draft Long Term Financial Plan 2026-2035 (refer Attachment 1.1) and amendments to the Council Financial Position and Performance Policy (refer Attachment 1.2). Following the advertising process, Council will be requested to adopt the LTFP and the Policy amendments.

Disclosure of Interest

N/A

Previous Relevant Documentation

- G. 6/4/24 — 23 April 2024 — Council adopted the City of Mandurah Long Term Financial Plan 2025-2034 for advertising purposes. Council approved the Draft Council Financial Position and Performance Policy for advertising purposes. Council noted that the City of Mandurah Long Term Financial Plan 2025-2034 and the Council Financial Position and Performance Policy will be presented to Council for final adoption at a Special Council Meeting on 21 May 2024.

- SP1/5/24 — 21 May 2024 — Council adopted the City of Mandurah Long Term Financial Plan 2025-2034. Council approved the Council Financial Position and Performance Policy POL-FCM 08. Council noted the community submissions on the Long Term Financial Plan.

Background

In accordance with the *Local Government Act 1995* all local governments in Western Australia are required to have developed and adopted a "plan for the future", comprising at a minimum of Strategic Community Plan (SCP) and Corporate Business Plan (CBP).

The LTFP is also a key component of this framework as the Plan identifies how the City funds the delivery of the SCP and CBP short, medium and long-term priorities.

The City's current LTFP was adopted on 21 May 2024. A comprehensive review of the LTFP has been undertaken over the last eight months to reflect the changes in economic conditions and changes to key assumption data that have occurred since 2024 and to ensure its alignment to the City's CPB.

The LTFP and rating strategy was presented to Elected Members in a series of workshops as part of the Finance Implications Briefings held between October 2024 to May 2025. The objectives of the Finance Implications Briefings are to:

- Recommend to Council the future revenue sources to ensure funds are available to deliver community programs and services;
- Align service and infrastructure provision to the outcomes of the SCP;
- Develop the rating strategy and workshop options;
- Present on efficiencies gained through the delivery of the Efficiency Program including the outcomes from program and service reviews;
- Recommend to Council the future services and investment to be provided, and the service level standards associated with them; and
- Oversee the long term financial planning associated with future service provision and investment.

Comment

The LTFP is critical to Council's financial planning process. The LTFP provides an indication of a local government's long term financial sustainability and allows early identification of financial issues and their longer-term impacts. It shows the linkages between specific plans and strategies and enhances the transparency and accountability of the Council. The LTFP provides Council with a forward planning tool for decision making and gives Council the ability to understand the financial implications associated with any decisions.

The 10-year rolling plan has been prepared on the basis of a number of objectives and assumptions that are outlined in the Plan (refer Attachment 1.1). Strategies, priorities, opportunities and emerging issues are all dynamic influences of this Plan. To ensure that the Plan is responsive to the needs of the community, it is reviewed and adjusted annually, alongside the CPB and Annual Budget.

The financial projections contained within the Plan provide an indication of the Council's direction and financial capacity and assist the Council in making informed and evidence-based decisions. The LTFP should be viewed as a guide for the future that determines the actions or opportunities encouraging the Council to consider the future impact of decisions on the Council's long term financial sustainability.

Key Highlights

This Plan is based on and achieves, the following outcomes:

- $434.83 million in capital expenses across the Plan;
- $1.55 billion in operating expenditure over the Plan (excluding depreciation);
- A rating strategy based on weighted average formulated by determining the percentage of budget for each operational expenditure type and the actual or projected cost for each type. An additional 0.68% is included in the final model to enable the City to achieve the Asset Renewal Principle;
- An average of 0.69% growth in rates per year resulting in an additional $45.07 million in revenue over the Plan;
- Loan borrowings of $64.75 million over the Plan resulting in a total liability of $32.24 million (increase of $4.7 million) in year 10;
- Efficiency target of $250,000 in permanent cost savings per annum over the life of the plan; and
- Achieves ongoing improvement with the Department of Local Government, Sport and Cultural Industries (DLGSC) financial ratio benchmarks.

Rating Strategy

Since 2019, the City's rating strategy has been formulated using the Reserve Bank of Australia (RBA) Consumer Price Index (CPI) forecast, due to there being no forecast available for Perth CPI. In 2023 the Western Australian Treasury released a Perth CPI forecast data as part of the Mid-Year Review Process.

City officers are now recommending that Perth CPI forecast data be utilised in the rating strategy model where the data is reliable and timely. This is due to Perth CPI data being more relevant to the cost escalations the City experiences on an annual basis for materials and contracts the City holds with external suppliers/contractors. The City's expenditure on materials and contracts is $67.7m, equating to 49.7% of expenditure (excluding depreciation).

In previous years, the RBA CPI was also applied to all expenditure types e.g. employee costs, insurance and utilities. However, each expenditure type is escalated in accordance with a combination of known expenditure increases or other forecast data. In previous years, the difference in the escalations for each expenditure type was marginal however recently the escalation increases have been different and using CPI for all expenditure types is not the preferred option into the future. For example, employee costs increases are in accordance with the agreed rate established under the City of Mandurah Industrial Agreement and utilities increase are in accordance with the Local Government Cost Index estimate forecast, or known increases included in contracts with utility suppliers.

City officers are now recommending a change to the rating strategy as set out in the LTFP and the Council Financial Position and Performance Policy – FCM-08 (refer Attachment 1.2). It is recommended the increase to general rates be formulated through a weighted average model.

This model takes into account the cost escalations that the City is expected to experience for each expenditure type in the following financial year. This model better reflects the cost escalations the City experiences in a financial year, if CPI is different to other escalations for expenditure types.

The weighted average model is formulated by determining the percentage of budget for each operational expenditure type and the actual or forecasted cost escalation for each type. An additional 0.68% is included in this model to enable the City to ensure the City works towards the required investment in asset renewal, which is expected to achieve the required amount for each financial year by 2033/2034.

The rating strategy applies the known escalation increase, and where this is not available, the City applies the most reliable and relevant cost escalation data to the related operational expenditure type as set out in the table below:

Expenditure Escalation	% of expenditure	%increase	Escalation applied and source
Employee Costs	44.67%	3.5%	The City's salary increase from March 2025 reflects year 1 of the Industrial Agreement.
Materials and Contracts	49.76%	2.75%	Increase by Perth CPI forecast for 30 June 2025.
Utility Charges	3.7%	9.1%	Utility costs increase through a combination of: • Projected to increase by 3% based on WALGA Local Government Cost Index estimates. • An additional 6.1% is included as the City's contestable sites electricity costs have increased by more than WALGA's estimates.
Insurance	1.2%	8.6%	The cost for insurance has been projected to increase based on WALGA Local Government Cost Index estimates.

Policy amendments

Council is now requested to adopt the amendments to the Council Financial Position and Performance Policy – FCM-08 (refer Attachment 1.3 tracked change version) as summarised below:

- Rating strategy model;
- Minor amendment to Accountability Principles which incorporates consideration of both current and future communities;
- Minor amendment to the Revenue Principle relating to the recovery of Fees and Charges; and
- Minor amendments to the Efficiency Principle to incorporate the Efficiency Program.

The clean version of the Council Financial Position and Performance Policy – FCM-08 is available at Attachment 1.2.

Assumptions

The Plan is based on a range of assumptions such as:

- Level of service remains at the same level as the 2024/2025 budget year;
- Increase in revenue and expenditure is based on the input assigned to the nature and type of the income and expenditure (refer to assumptions contained in Attachment 1.1);
- If a project relies on external funding, the project will not go ahead unless the funding has been confirmed and at the level indicated in the Plan;
- Rates revenue is calculated based on the Rates Strategy outlined within the Plan being CPI plus 0.68%;
- New FTE are only supported where the positions are funded directly through increase to revenue and are appointed on a temporary basis for up to 24 months to ensure the revenue has been realised;
- Borrowings are based on the Borrowing Strategy principles outlined within Attachment 1.1; and
- Due to the flexibility of the Plan, a review of the Plan will occur earlier than the annual review if an event occurs that causes a material change in the assumptions.

Ratios

The Plan has projected the City's financial ratios for each year and the results can be compared to the standards set by the DLGSC. The ratio’s results can assist in identifying any ratios that require improvement over the life of the Plan. Attachment 1.1 details the City’s Ratio’s performance (refer within the Plan).

The Asset Sustainability ratio is the extent to which assets managed by a local government are being replaced as these reach the end of their useful lives. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to depreciation expense. Expenditure on new or additional assets is excluded. This ratio indicates whether a local government is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.

Throughout the Plan process, the City has identified that additional expenditure on renewal and upgrade, or existing facilities was required to bring this ratio up to the basic standard. It was calculated that an additional 0.68% in rate increases was required each year over the 10-year plan to provide for the additional amount of expenditure. In year one of the Plan, the City has proposed a 4.08% increase to rates, which is inclusive of the 0.68%.

The same strategy for improving the Asset Sustainability ratio will also improve the Operating Surplus ratio as the increase in revenue takes effect and the deficit in operating income/expenditure narrows and turns to a surplus in year 10 of the Plan.

The Plan will ensure that the Corporate Business Plan actions to achieve the vision of the City can be funded and the costs of delivering the actions are known. It also provides Council with the information to determine whether the aspirations of the Strategic Community Plan can be delivered within its financial capacity.

The Plan will assist the Council to make more informed and evidence-based decisions. By Council adopting the Plan, it demonstrates a commitment to prudent fiscal management and greater transparency to the community in relation to the projects that the Council are committed to over the next 10 years. It is important to emphasise that the Plan only considers projects that are known to the City at the time of the Plan’s development and a flexible and adaptive approach will be taken if new opportunities arise that will deliver community benefits.

A range of benefits of implementing the Plan include, but are not limited to:

1. Projects identified within the Plan provide City officers with the confidence to plan projects earlier than if the City was only focusing on a budget cycle (being one year). It provides an indication to City officers when they should commence project planning and design.

2. Grant funding submissions can be lodged earlier as the Plan identifies when these projects are likely to occur.

3. It will reduce the carryover projects as the budget allocation for projects will be spread across multiple years. This brings about a long-term focus instead of focusing on one year.

Consultation

To demonstrate Council’s commitment to engaging the community, it is recommended that both the Long Term Financial Plan (refer Attachment 1.1) and the Council Financial Position and Performance Policy (refer Attachment 1.2) be advertised from 21 May 2025 to 19 June 2025. The advertising period aligns to the advertising of the rate in the dollar.

Following this process Council will be requested to consider the communities feedback and adopt the LTFP and the Policy.

Statutory Environment

Section 5.56 of the Local Government Act 1995 provides that –

(1) a local government is to plan for the future of the district.

Policy Implications

Council Financial Position and Performance Policy POL-FCM 08

Financial Implications

The City's Long Term Financial Plan will ensure good financial governance over a 10-year period. Planning for the future will ensure that the City can afford to operate its programs and services over the long term.

Economic Implications

The LTFP supports the achievement of the City's Strategic Community Plan which incorporates the economy as a key community priority.

Environmental Implications

The LTFP supports the achievement of the City's Strategic Community Plan which incorporates the environment as a key community priority.

Risk Analysis

The following are risk events that could arise without a Plan:

1. Non-compliance – the Corporate Business Plan is required to consider long term financial capability and the actions that are included in the Corporate Business Plan must be costed to ensure that they can be delivered. To eliminate this risk, it is recommended that Council adopt the LTFP and that the existing and new programs and services are incorporated into the Corporate Business Plan.

2. Insufficient funding available to continue programs and services in the long term – Without whole of life costings, decisions do not consider the long term impact to the City and they may have to cease in future years due to insufficient funding. When Council is presented with an opportunity, it is generally only one year of the financial impact that is considered. To reduce this risk, it is recommended Council adopt the LTFP and for any future decisions, an analysis of the impact to the Plan is undertaken.

Strategic Implications

The following community outcomes from the City of Mandurah Strategic Community Plan 2024 – 2044 is relevant to this report:

Leadership:

- Responsible, transparent, value for money delivery of well planned, sustainable, projects, programs and services

Conclusion

The City's Long Term Financial Plan 2026-2035 (refer Attachment 1.1) and amendments to the Council Financial Position and Performance Policy FCM-08 (refer Attachment 1.2) is presented to Council for adoption for advertising. Following the advertising period, any feedback from the community will be presented back to Council for consideration as part of the report to finalise the Plan in June 2025.

NOTE:

- Refer ***Attachment 1.1*** ***Long Term Financial Plan 2026-2035***
  Attachment 1.2 ***Council Financial Position and Performance Policy FCM-08 (clean)***
  Attachment 1.3 ***Council Financial Position and Performance Policy FCM-08 (tracked changed version)***

RECOMMENDATION

That Council:

1. **Adopt the City of Mandurah Long Term Financial Plan 2026-2035, as detailed in Attachment 1.1 for the purposes of advertising for community input.**

2. **Approve the amended Council Financial Position and Performance Policy FCM-08 as detailed in Attachment 1.2 for the purposes of advertising for community input.**

3. **Notes that the City of Mandurah Long Term Financial Plan 2026-2035 and the Council Financial Position and Performance Policy FCM-08 will be presented to Council for final adoption at the Council Meeting on 24 June 2025.**

Long Term Financial Plan 2026 - 2035

CITY OF MANDURAH

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Introduction

The *Local Government Act 1995* requires local governments in Western Australia to ensure good governance by addressing several key needs:

- Promote Sustainability: Economic, social, and environmental sustainability within the district.
- Climate Change: Plan for and mitigate risks associated with climate change.
- Long-Term Impact: Consider the long-term consequences and impacts of decisions on future generations.
- Aboriginal Interests: Recognise and involve Aboriginal people in decision-making processes.
- Collaboration: Collaborate with other local governments as needed.

To support these needs, the City of Mandurah (the City) has developed a ten-year Long Term Financial Plan (LTFP or Plan). This Plan ensures that the City's priorities and services are affordable and align with community needs and aspirations both now and in the future.

The 2025/2026 Annual Budget represents year 1 of this Plan.

Overview

This Plan is critical to Council's financial planning process. It underpins the long term financial sustainability and demonstrates the level of investment Council can commit to when delivering the City of Mandurah Strategic Community Plan. A key objective of the LTFP is to ensure adequate funding is available to provide efficient services to the community.

The 10-year rolling plan has been prepared on the basis of a number of objectives and assumptions that are outlined in this document. Strategies, priorities, opportunities and emerging issues are all dynamic influences of this Plan. To ensure that the Plan is responsive to the needs of the community, it is reviewed and adjusted annually, alongside the Corporate Business Plan and Annual Budget.

The financial projections contained within this Plan provide an indication of the Council's direction and financial capacity and assist the Council in making informed and evidence-based decisions. The LTFP should be viewed as a guide to future actions or opportunities which encourages the Council to consider the future impact of decisions on the Council's long term financial sustainability. Central to the development of this Plan are the financial principles which guide this Plan and decision making by the City.

This Plan is based on and achieves, the following outcomes:

- $434.83 million in capital expenses across the Plan;
- $1.55 billion in operating expenditure over the Plan (excluding depreciation);
- A rating strategy based on weighted average formulated by determining the percentage of budget for each operational expenditure type and the actual or projected cost for each type. An additional 0.68% is included in the final model to enable the City to achieve the Asset Renewal Principle;
- An average of 0.69% growth in rates per year resulting in an additional $44.7 million in revenue over the Plan;
- Loan borrowings of $64.75 million over the Plan resulting in a total liability of $32.24 million (increase of $4.7 million) in year 10;

- Includes an efficiency target of $250k in year, representing $2.5 million in permanent savings over the life of the plan; and
- Achieves ongoing improvement with the Department of Local Government, Sport and Cultural Industries (DLGSC) financial ratio benchmarks.

The LTFP Summary is available in **Attachment One**.

1. Strategic Context

1.1 Integrated Planning

The *Local Government Act 1995* requires a local government to plan for the future of the district, which takes the form of the City of Mandurah Strategic Community Plan.

The actions to deliver the Strategic Community Plan must be costed and allocated to a particular year of delivery. Achieving the vision of the Strategic Community Plan relies on a range of stakeholders delivering projects, with the City partnering, advocating or delivering its own projects. For City projects, it is important that all informing strategies are costed with prioritised actions.

The LTFP is interrelated to all Council plans and strategies. It is important that the actions resulting from any strategies or plans include an assessment of resource implications and the cost of delivery, for Council to make an informed decision on whether the value for money of delivering an action is supported.

The LTFP incorporates the following:

- Strategic Community Plan
- Corporate Business Plan
- Asset Management Strategy
- Workforce Plan
- Informing Strategies
- Council policies

1.2 Financial Position and Performance Policy

The Financial Position and Performance Council Policy (Policy) demonstrates the City's commitment to financial stewardship by exercising responsible oversight and management to meet the current and future needs of the community. The Policy provides strategic direction as part of the development of the LTFP and the Annual Budget process.

The Policy is founded on the following guiding principles:

Accountability Principle	Financial decision making must be accountable, transparent, equitable and benefit the community, both now and in the future.
Borrowing Principle	Loans for the acquisition or construction of capital projects are to be considered where the criteria is met.
Asset Renewal Principle	Asset renewals must have a higher priority than the creation of new assets.

Rating Principle	Community's capacity to pay must be considered, balanced with ensuring the full cost of infrastructure and service delivery are equitably met by all generations of ratepayers.
Revenue Principle	Revenue opportunities will be identified and pursued.
Efficiency Principle	Resources must be efficient, prioritised and optimised for service delivery to the community.

2. Our Community

The City of Mandurah is a regional local government situated on Bindjareb Country. Woven by waterways, Mandurah offers a coastal lifestyle connected to its environment and history.

A snapshot of the City of Mandurah is below:

- Total Area - 174 km2
- Coastline Length – 52 km
- 18 Suburbs
- 2025 Population forecast – 102,373
- Dominant Age Demographic – 65 to 69 years
- 936 Index of Relative Socio-economic Advantage and Disadvantage 2021
- 42,764 residential dwellings
- 4,979 Local Businesses
- 44,770 Employed Residents
- 26 Bridges (including footbridges)
- 396 Parks and Open Spaces
- 22 Sport Reserves
- 144 Playgrounds
- 780km total length of Roads
- 627km total length of Footpaths
- 81 Jetties and Wharfs
- 160 Natural Bushland Areas

3. Long Term Financial Planning Process

The Long-Term Financial Plan (LTFP) is based on a detailed financial model, which incorporates asset management strategies and future capital programs. This model is updated annually after the City's Annual Budget is adopted. The first year of the LTFP informs the following year's Annual Budget, ensuring it accommodates any changes that occur from assumptions and forecasts within the Plan.

It's important to note that forecasts contained within the LTFP, are based on assumptions that may change. Despite this, the LTFP remains a valuable tool for identifying long-term sustainability issues. The key assumptions used in the financial model on which this Plan is based are detailed under the Assumptions section refer to 4.1.

An overview of the process utilised to develop and inform the Plan is outlined below:

3.1 Operating Baseline and Business Units

For the development of this Plan, the City constructed a baseline for each business unit by using the 2024/2025 budget and excluding expenditure which is one-off or temporary in nature including:

- Temporary contract positions
- Consultants
- Programs/projects with an end life and the decision to continue is required by Council
- One-off costs

Any continuation of these exclusions requires Council to approve these as new proposals. If approved, the new operating initiatives as well as the additional employees required to deliver the service are included. This process ensures that the City obtains a minimum level of revenue and expenditure required to operate at the current service levels. It also ensures that the ongoing costs of the business unit are accurately reflected for the purpose of developing the LTFP.

The City's capital budget for renewals was based on the asset condition data. Once the baseline was included in the Plan, the surplus for each year was determined, and these funds were available to distribute to renewal capital projects, new capital projects, new operating or increases to existing services, repayment of loan debt or transfers to reserves.

3.2 New Operating and New Employees

The City identified new operating initiatives and increases to existing services due to subdivision and population growth. The new operating expenditure also includes any additional operating costs associated with new capital projects and any new FTE's required.

Unless otherwise approved by Council, new FTE are not approved unless directly funded through an increase in revenue. These positions are to be appointed on a temporary basis, for a period not exceeding 24 months. Following this period, the City is required to review whether the revenue was realised to determine whether the position can continue.

The New Operating Program is available in **Attachment Two.**

3.3 Capital

The City's 10-year Capital Program details the capital asset programs that have an allocated a program budget. For example, Fencing Renewal Program or Playground Renewal Program.

Following Council's approval of the Annual Budget, the City will allocate each program's funding amount to the projects that need to be completed, using condition data and usage as two factors when considering which projects are to be carried out. Assigning funds to a program rather than specifically stating projects in the Plan provides the flexibility to determine the priorities of work each financial year.

A project that is specifically identified in the Plan is in addition to an asset program. These projects have sufficient information to determine that they are required to be carried out.

Capital expenditure has been categorised as either renewal, upgrade or new, and these are defined as:

Renewal – An asset that is expected to increase the remaining useful life of the original asset. This can be a like for like replacement of an asset.

Upgrade – An asset that is expected to increase the economic benefit or service potential of the asset.

New – An asset that has not been previously recognised. This will also have future operational costs that will need to be included in the LTFP.

The City has used asset condition data for the baseline of capital renewals. The City's current asset management plans are subject to continuous review to ensure the level of detail required to inform the Plan is accurate. The City's asset management plans inform the Council of the required level of expenditure that should be spent on renewals to ensure the current service level is maintained.

The Capital Program is available in **Attachment Three**.

3.4 Asset Management Plans

The City's Asset Management Framework consists of an Infrastructure Asset Management Policy, Asset Management Strategy and Infrastructure Asset Management Plans. These documents drive and align to the community vision and initiatives contained within the City of Mandurah Strategic Community Plan. They also assist in identifying major projects and actions to be incorporated into the City's Corporate Business Plan and Long Term Financial Plan.

The ultimate aim of core asset management is to prevent assets deteriorating to a point where they are a danger or are no longer able to provide the minimum required level of service.

3.5 Funding and Assessment of Ratios and Targets

The City has considered the DLGSC ratios when measuring performance. The DLGSC outlines advance standards for the ratios. In the achievement of the DLGSC ratios the City has recommended that Council endorse this Plan which supports improvement to the performance of these ratios over the life of the plan.

3.6 Service Levels

The Plan has been prepared on the basis that the City will continue to deliver the services at the same level currently provided to the community. The City will review these services and programs from time to time through the City of Mandurah Service Review Framework.

3.7 Plan Exclusions

The Plan does not include projects that are considered potential opportunities or still undergoing feasibility and due diligence. The areas of the business that are likely to be reviewed and included in the next Plan include:

- Incorporating the business cases approved by Council and the whole of life costs. Note: It is recommended that the financial implications to the Plan relating to any changes will occur at the time that Council endorses the business case; and
- Internal reviews that include overhead allocations, reserve allocations and the ongoing service, program and project reviews that occur throughout the City on an annual basis.

4. Influencing Factors and Assumptions

The City set out a list of assumptions in the Plan that details how the indexation applies to certain types of income and expenditure over the 10 years of the Plan. The assumptions use factors such as Perth Consumer Price Index (CPI), Local Government Cost Index (LGCI), rate increases, utility increases, growth rates and interest rates.

Extensive research was conducted to find the best possible source for these assumptions.

In addition, as part of the Plan's development, the City also considered the current economic climate and cost of living pressures faced by the community.

The Assumptions are available in **Attachment Four.**

The Plan has considered our community, factors and assumptions outlined below:

4.1 Assumptions

The key assumptions included in the Plan are listed in the table below:

Factor	Details
Superannuation Guarantee	12% of salaries each year for the life of the Plan.
Population and growth	Estimated population as of June 2025 is 102,373 and is expected to increase to 116,567 by 2036. This is a 13.86% increase over the Plan.
Property growth	Dwellings in June 2025 totaled 49,179 and are expected to increase to 54,388 by 2036. This is an increase of 10.59% over the Plan.
Consumer Price Index (CPI)	Western Australian Treasury has forecast Perth CPI to be 2.75% for the year ended June 2025. It is projected to stay at 2.75% in 2026, 2.50% in 2027 and 2.5% for the remaining years. For the rest of the Plan the City has estimated that the rate will remain the same.
Utility Costs	Western Australia Local Government Association (WALGA) Economic Briefing in March reports there has been an increase for utilities of 3%. The City recently received tenders for its contestable sites resulting in an additional 6.1% increase in year 1 of the plan.
Waste Management Expenses	Waste expenses are fully recouped by the service fee charged to users.
Workers Compensation	Based on the Local Government Insurance Services deposit rate of 2.5% of wages.
Interest expenses	Calculated using the City's current borrowings interest rates of 6.0%.
Interest Income	Interest rates for interest income are set at 5.0% based on current term deposit rates.

4.2 Revenue Escalation

All figures have been escalated using assumptions based on the nature and type of revenue and expenditure.

Revenue Escalation	Details
Rates	• Rates revenue will increase by $44.68 million over the life of the plan. • Changes in valuations have not been included in the rate revenue. It is expected that this will be minimal due to adjusting the previous year's rate in the dollar to reflect the average movement percentage of the proposed valuation.
Operating Grants, Subsidies and Contributions	• Increase by Perth CPI. • If a project does not receive funding/contribution, the project either does not commence or there will be a decrease in expenditure so that the net City contribution is the amount that is stated in the Plan.
Fees and Charges	Increase by Perth CPI.
Interest Earnings	Reflects current interest rates received for term deposits.
Other Revenue	Increase by Perth CPI.

4.3 Expenditure Escalation

The expenditure escalations included in this Plan are listed in the table below:

Expenditure Escalation	Details
Employee Costs	• Salaries – The City's current Industrial Agreement (IA) has expired, and the City is under negotiations. The City's salary increase from March 2025 was 3.5%. In place of any formal IA agreement the City has assumed increases based on CPI. • Vacancy Rate – The City estimates a vacancy rate of 8% in year 1, 6% in year 2 and 5% thereafter. The vacancy rate for the 2024/25 Financial Year has fluctuated between a range of 9% to 12%. • Superannuation Guarantee – Increased by the amount required to be paid by the employer to the employee from the Australian Taxation Office. • Additional Superannuation – The additional employer contribution stated in the EA is capped to reflect a total employer contribution up to a maximum of 14.5% (including the superannuation guarantee). The average take-up by the employees equates to an additional employer contribution of 1.6%. • Workers Compensation - Based on the LGIS deposit rate of 2.5% of wages. • Remaining Employee Costs are projected to increase by CPI.

	• Work Force Planning is undertaken to forecast future labour needs as well as the skills required to meet those needs. The expenditure in this category also incorporates the cost of workers compensation insurance, training, allowances and superannuation. • Any new employee requests require an analysis of the business unit justifying the additional resource and endorsement of Council at budget adoption or via Council resolution.
Materials and Contracts	Increase by Perth CPI.
Refuse Charges, Tipping Fees and Waste Management Expenses	The City has moved its waste disposal to waste to energy from December 2024. The new State Government Waste Strategy has not been released, and it is unknown whether there will be any mandatory requirements imposed on local governments as well as any additional charges to the City. Therefore, it is uncertain of the cost implications and as a result the Plan reflects current budget amounts increasing by CPI annually.
Utility Charges	This represents an overall increase of 9.1%. Utility costs increase through a combination of: • Projected to increase by 3% based on WALGA Local Government Cost Index estimates. • An additional 6.1% is included as the City's contestable sites electricity costs have increased by more than WALGA's estimates.
Insurance	• Excludes workers compensation (included in Employee Costs) • The cost for insurance has been projected to increase by 8.6% in year 1, 6% in year 2, 4% in year 3 and then 2.9% for the life of the plan based on WALGA estimates.
Other Expenditure	Increase by CPI

5. Financial Position and Performance

An overview of the key Financial Principles which support the City and Council achieve financial sustainability are set out below:

5.1 Borrowing Principle

The City recognises that it may be necessary to borrow funds for the acquisition or construction of assets. In these cases, the following criteria for loan borrowings apply:

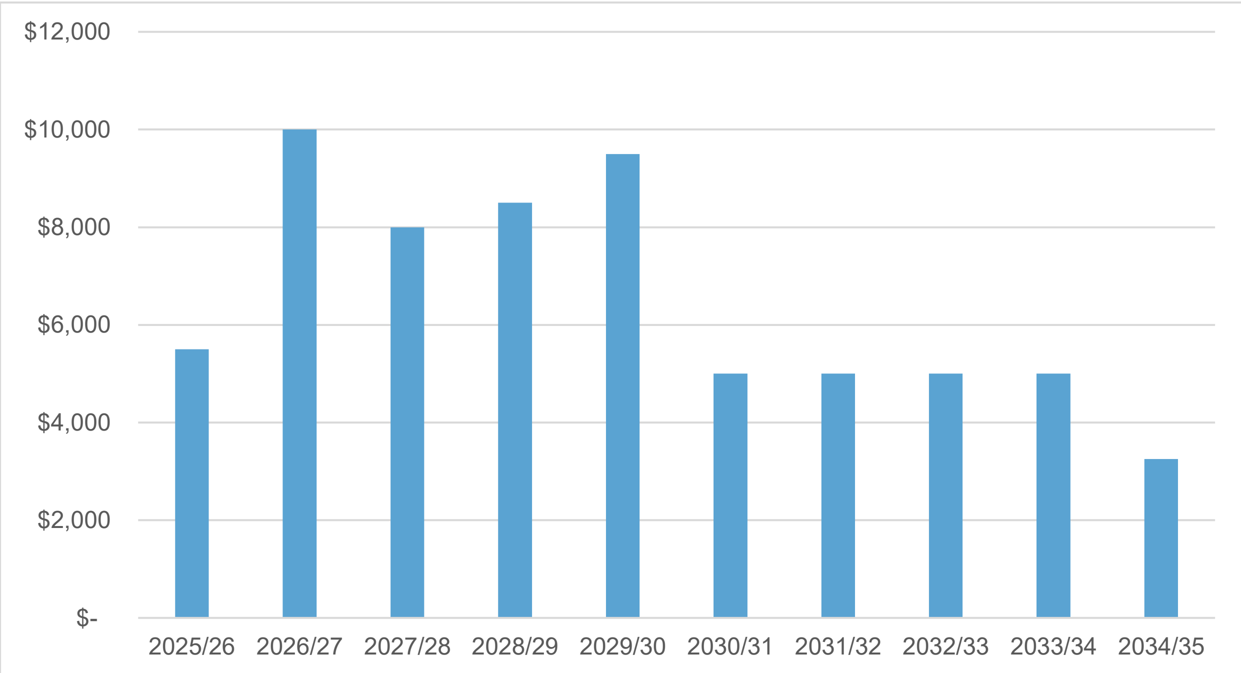
- Loans are to fund capital expenditure only;
- Annual debt service expense to be affordable in the context of the Annual Budget process and the City's long term financial capacity;
- Total loan borrowings should not exceed 50% of the current rating revenue;

- Loans will be for the length of time before major intervention works are required, but no more than ten years, except for certain projects that are outlined through the Annual Budget and approved by Council;
- Debt Service Coverage Ratio in any one year must be maintained in accordance with the DLGSC standard (refer Section 6.5 of this Plan); and
- New loan borrowings will only be considered where a proposal has been presented to Council as part of the current Council approved LTFP.

Full detail of the City's borrowings is available in **Attachment Five.**

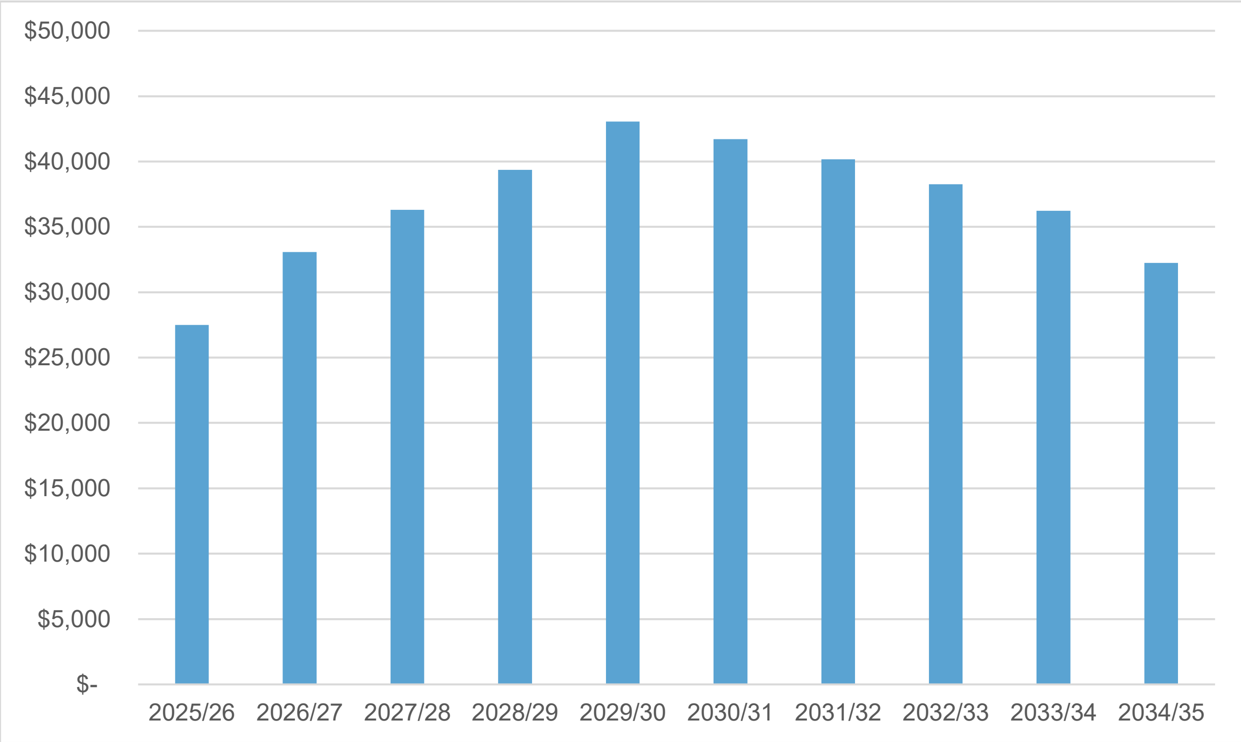
The City has a loan offset facility which can be used to place surplus funds during the year to reduce the total loan borrowings, resulting in a decrease in total interest costs and these funds being redirected to the principal repayments. Loan costs are modelled in the Plan. Loan borrowings for Waste or Specified Area Rate (SAR) capital projects are repaid by revenue from waste charges or SAR charges, whichever are applicable.

The Plan includes the following proposed new loan borrowings per year:



The recommended new loan borrowings per year are around $5 million. The new borrowings are offset by the City's average annual repayment amount of $5 million. Due to the renewal infrastructure requirements due to the City's aging infrastructure and staging of rate increases over a 10 year period, the City expects to supplement rates income with higher levels of borrowing and use of Reserves to fund the current service levels.

The implementation of the rates revenue and borrowing strategy will result in the following total outstanding debt/principal levels over the course of the Plan:



5.2 Asset Renewal Principle

The City recognises that maintaining assets for current and future generations is crucial. Adequate investment in the City's assets protects future generations from bearing the lack of previous ratepayers' obligations for contributing to future infrastructure needs. Every year, ratepayers should contribute the amount of asset benefit they use. This will enable the City to address any immediate need for strategic responses to major issues.

The City has $1.55 billion of assets that it is required to maintain. The asset portfolio consists of:

- Buildings $177.84 million
- Land $93.52 million
- Furniture and Equipment $3.28 million
- Plant and Equipment $18.43 million
- Road Infrastructure $618.99 million
- Drainage $224.87 million
- Parks $211.82 million
- Coastal and Estuary $104.91 million
- Bridges $88.33 million
- Other $5.36 million

To ensure the City meets the current and future needs of the community, the following criteria apply:

- Investment in asset renewals must be prioritised over the creation of new assets;
- Investment in asset renewals is required to ensure service levels are met for current and future generations without a decline in quality or efficiency;

- Demonstrate continuous improvement in the achievement of the DLGSC Asset Sustainability Ratio standard (refer Section 6.4 of this Plan);
- Seek to maximise contribution to asset renewals from external grants and subsidies where possible;
- Subject to Council approval, any actual surplus at the end of the financial year, is transferred to the Asset Management Reserve to fund asset renewals, reducing the City's reliance on borrowings in the long term;
- Supports a position in the long term that through investing in additional renewal through the Rating Principle, the City will be able to fund capital programs reducing reliance on the Asset Management Reserve; and
- Shared use of community assets to be maximised in accordance with Council Community and Recreations Facility Council Policy.

5.2.1 Treatment of Surpluses

Each year, it is proposed that there will be a deficit of approximately $500,000, that is if all activities and transactions eventuate the City will experience a shortfall of funds of $500,000. However, experience has demonstrated that the City endeavors to find savings to ensure that by the end of the financial year, the City will not be in a deficit position, instead either balanced or in surplus.

If there is an actual surplus once the Annual Financial Statements have been approved by Council, then the Council will consider allocating the surplus to the Asset Management Reserve to reduce the difference between the amount paid by ratepayers and the amount required to be paid by ratepayers to cover the full year enjoyment of the City of Mandurah assets. The surplus can be used to fund renewal expenditure in the future or Council has the discretion to allocate the surplus to another purpose.

Subject to Council's approval, City officers will recommend that any surplus should be transferred to either asset renewal projects or the Asset Management Reserve. The City has had a significant adverse trend audit matter raised in the 2019/20 and 2020/21 financial years relating to its asset sustainability ratio being below the DLGSC standard. It shows that the City is not investing in renewal expenditure at the same rate that the assets are deteriorating and if this is not addressed the condition of the City's assets will decline, impacting on the services that the City delivers. While the ratios are no longer required to be reported in the City's financial statements, they are still relevant in the City's Long Term Financial Plan. Refer to section 6 of this Plan for further information on the City's performance against the DLGSC Ratios.

In the case of a deficit, this should be carried forward to the next year and funded. Deficits should not be supported as this would place further pressure on the future financial sustainability of the City.

5.3 Rating Principle

5.3.1 Rating Strategy

The following criteria applies to the overall rating principle:

- Council approves the rating strategy each year as part of the LTFP and Annual Budget process;
- In establishing the rating strategy, Council will consider the communities capacity to pay including:
    - Community service levels and expectations;

  - Current economic climate and conditions including consideration of cost-of-living pressures for the community; and
  - External cost escalation rates which impact on the City and community.
- The increase to general rates is formulated through a weighted average model which takes into consideration the cost escalations that the City is expected to experience for each expenditure type in the following financial year.
- The rating strategy applies the known escalation increases or where this is not available, the City applies the most reliable and timely cost escalation data to the related operational expenditure type.
- These assumptions will be applied to the related operational expenditure type for example:
  - Material and contracts increased by Perth CPI forecast where it is reliable and timely, otherwise RBA CPI will be applied
  - Labour costs increased in accordance with the City's Industrial Agreement
  - Utilities and Insurance increased in accordance with the known escalation increases provided by the relevant supplier, and if there has been no confirmation of the increases, then the Local Government Cost index forecast will be applied.
- The weighted average model is formulated by determining the percentage of budget for each operational expenditure type and the forecasted cost escalation for each type. An additional 0.68% is included in the final model to enable the City to achieve the Asset Renewal Principle;
- Differential Rates apply ensuring that every landowner makes a reasonable contribution to rates;
- Specified Area Rates apply on certain locations in Mandurah where there is a waterway which enhances and requires an increased maintenance of the area by way of increased service levels for the benefit of the owners/residents who live in the area;
- Revenue raised through Specified Area Rates be used solely for the purpose which the rate was imposed, with any residual amount remaining being placed in a reserve for that same purpose; and
- Where applicable, Differential Rates and Specified Area Rates will be exercised by Council to meet specific community needs and to ensure fairness, consistency, transparency, efficiency and equity for the community in accordance with the Act.

5.3.2 Rating Strategy Model Formula

Weighted Average = (Direct Employee Costs × Rate as per Industrial Agreement) +
(Materials and Contracts × Perth CPI forecast*) +
(Utilities × LGCI and Supply Contract) +
(Insurance LGCI)

* where the forecast is reliable and timely

5.3.3 Rates

In accordance with the Act, local governments impose rates on land within their district to raise revenue to fund the services, programs and facilities provided to the community. The amount of local government rates payable is calculated using the following formula:

- Valuation of land (GRV)* x Council's set rate in the dollar

* Land is valued by the Valuer General (State Government) using either the Unimproved Value (UV) method or the Gross Rental Value (GRV) method. The method applicable for the City has been designated Gross Rental Value. As the valuation is conducted by the Valuer General, the City has no control over this part of the formula. The City's next revaluation year for GRV is 2026/2027.

5.3.4 Differential Rates

The City may impose a single general rate which applies to all the properties in the gross rental value category or alternatively, the City can distinguish between land based on its zoning, use or whether it is vacant land (or other characteristics set out in regulations), or a combination of these factors, and apply a differential general rate to each. The purpose of a differential rate is to ensure that every landowner makes a reasonable contribution to rates.

Council resolves the rate in the dollar for each differential rating category when approving the annual budget. The rate in the dollar is usually different for each rate category. Council also imposes a minimum rate for each rate category. The rates raised by the City are not intended to cover any waste expenses as this is covered by the Rubbish Service levy. The differential rating categories are set out below:

Rate Category	Object	Reason
Residential Improved	This rate is regarded as the base rate as it represents the greatest number of properties in the City.	This rate aims to ensure that all ratepayers contribute towards local government services and programs.
Residential Vacant	This rate is set at a higher level as the City wishes to promote the development of all properties to their full potential.	This rate in the dollar will act to deter land holdings and acts to stimulate residential development.
Business Improved	This rate is to recognise that certain expenditures in the budget are specifically directed towards the economic development of the City and the additional costs associated with the service provision related to business activities.	This rate will ensure that the City meets the level of service costs associated with business properties and the area within which they are situated, including: (a) provision and maintenance of road infrastructure and streetscapes including road renewals and upgrades, car parking, footpaths, and traffic issues; and (b) activation, facilitation, and amenity improvements to promote the economic and social attractiveness to businesses areas.
Business Vacant	This rate is set at a higher level as the City wishes to promote the development of all properties to their full potential.	This rate in the dollar will act to encourage commercial development and stimulate economic growth.
Urban Development	This rate relates to land held for future development.	As with other vacant land rates, this rate is set at a higher level to deter the

		holding of land and acts to stimulate residential development.

5.3.5 Specified Area Rates

In accordance with the Act, the City raises Specified Area Rates on properties to provide for future maintenance and asset replacement costs of these areas. The following Specified Area Rates applied are:

Area	Purpose
Waterside Canal	For owners to make a reasonable contribution toward maintaining and managing the canals in accordance with the Artificial Waterways Policy – Canals and Core Management Group. The defined area has been identified within the Government Gazette published 23 June 1995 as Schedule B in the City of Mandurah (Specified Area) Order No.1. The City contributes to the SAR proportionally according to the length of walling abutting public open space and bridge crossings. The City makes a 45% contribution to maintenance costs as some areas in the waterways are under the City's direct control and are public areas or attributes to public use of the waterway. There is 14.99% of the area of the Waterside canals that are under the City's direct control and the total percentage of costs attributable to public use (boat ramp) at Leslie Street equates to 30% (the reason there is a 30% contribution by the City is because of the location of the boat ramp which is located within the subdivision). Note: That the City funds 100% of the maintenance of the emergency access ways.
Port Mandurah Canals	For owners to make a reasonable contribution toward maintaining and managing the canals in accordance with the Artificial Waterways Policy – Canals and Core Management Group. Landowners are responsible for the canal wall replacement on their land. The annual SAR expenditure are the activities outlined in the Deed of Agreement and include litter control, hydrographic survey, water quality monitoring, canal management fees and funds transferred to the dredging reserve for Port Mandurah. The City contributes to the SAR proportionally according to the length of walling abutting public open space and bridge crossings. The City makes a 41% contribution to maintenance costs as some areas in the waterways are under the City's direct control and are public areas or attributes to public use of the waterway. There is 10.94% of the area of the Port Mandurah canals that are under the City's direct control and the total percentage of costs attributable to public use equates to 30% (which was derived from continuing use of the waterway by the ferry companies and in support of the tourism benefit).
Mandurah Quay Canals	On 12 September 1991, the WAPC approved the subdivision of land known then as 'The Sticks Tourist Development Area' subject to conditions, including a condition requiring the subdivider Forx Pty Ltd (Developer) to liaise with the City of Mandurah and Department of Marine and Harbours in regard to

	funding and management of the foreshore and Boat Haven after the initial 5 years following construction. The Mandurah Quay area was approved based on the understanding that the general community would not be encumbered with the ongoing expense of the development of the Boat Haven infrastructure and all lots within the subdivision will contribute to the Mandurah Quay Home Owners Association Incorporated (MQHOA) who would be responsible for all the Boat Haven assets. Caveats were required to be placed on the titles. A request by the MQHOA was made to the City to take responsibility of the Boat Haven assets and both parties agreed on the basis that the SAR would be based on whole of life costs. The SAR was introduced following formal resolution by Council in July 2001 (confirmed in the City's letter dated 9 August 2001). The intent was to transfer responsibility for the marina from MQHOA to the City as requested by the MQHOA given the impacts of land dealings associated with the caveats on properties. This information is documented in both the Special Council Meeting minutes of 31 July 2001 and the Ordinary Council Minutes of 20 March 2001 reports and minutes. The financial structure of the SAR was based on a "whole of life" cost model, inclusive of reserves for infrastructure upkeep such as seawalls and dredging. The reserve has been accruing accordingly. Operating costs include the maintenance of the marina such as water quality testing, hydro surveys, litter control and minor maintenance of the walls. The reserve is used for any major maintenance and replacement of marina walls. The SAR does not fund the maintenance expenses for the pavement, garden beds and lighting along the public access way.
Port Bouvard – Northport Canals	To recoup the costs of litter removal from the canal waterbody together with the costs of water quality testing, management, surveying, and minor maintenance. The purpose is in the Deed of Agreement and is the same for every canal group except Port Mandurah and Mandurah Quays Canals. The City contributes to the SAR proportionally according to the length of walling abutting public open space. The City makes a 10% contribution to maintenance costs as some areas in the waterways are under the City's direct control and are public areas or attributes to public use of the waterway. In relation to the beach cleaning, the City will pay a 50% contribution which is based on the community beach that all residents can access.
Mariners Cove Canals	For owners to make a reasonable contribution toward maintaining and managing the canals in accordance with the Artificial Waterways Policy – Canals and Core Management Group Deed of Agreement sets the purpose. The City contributes to the SAR proportionally according to the length of walling abutting public open space and public boat ramp. The City makes a 6% contribution to maintenance costs as some areas in the waterways are under the City's direct control and are public areas or attributes to public use of the waterway.
Port Bouvard – Eastport Canals	To recoup the costs of litter removal from the canal waterbody together with the costs of water quality testing, management, surveying, and minor maintenance. The City contributes to the SAR proportionally according to the length of walling abutting public open space and bridge crossings. The City makes a

	2.5% contribution to maintenance costs as some areas in the waterways are under the City's direct control and are public areas or attributes to public use of the waterway.
Mandurah Ocean Marina	To provide for an enhanced maintenance standard and asset replacement costs. The SAR covers the ratepayers' contributions towards maintenance and improvements to the revetment wall, cleaning and lighting boardwalk, security, environment monitoring and Marina management.

5.3.6 Other Charges

Other charges that can be included on a rate notice but are not limited to:

- Emergency Services Levy (ESL)*
- Swimming Pool Levies
- Rubbish Service charges

*ESL is a State Government fee that the City collects and forwards all funds received to the State Government. The City is acting as an agent for this revenue collection.

All other charges included in the rates notice are not rates however are included in the total amount payable.

5.3.7 Charitable Exemptions

Under section 6.26 (2) (g) of the Act, the City must provide an exemption to land that is used exclusively for charitable purposes to be eligible for this exemption, the entity must show that the land is being used for:

- relief of poverty.
- the advancement of education.
- the advancement of religion.
- purposes beneficial to the community not falling under any of the previous three headings.

The entity must also pass the "public benefit" test. This test states that a charitable purpose benefits an appreciably important class of the community and that a charitable purpose exists for the public benefit and not for the benefit of individuals. The test requires firstly, that there is some 'benefit', in the sense that the use of the land must involve or result in something which is good for the public. Secondly, the benefit in question must be "public", in the sense of a benefit to either the general community or a sufficient section of the community to amount to the public.

The current amount of charitable rate exemptions that it costs the City in lost revenue is over $2.2 million.

Non-government and government schools, Mandurah Community Health and Peel Health Campus are also exempt, however these exemptions are under a different subclause of section 6.26 of the Act. The City has not estimated the amount of uncollectable revenue for these uses as they were never rated prior to receiving an exemption.

5.3.8 Rates Modelling

The City's rating strategy takes into consideration the key values contained within Rating Policy Differential Rates (s.6.33) March 2016 released by the then Department of Local Government and Communities being:

- Objectivity;
- Fairness and Equity;
- Consistency; and
- Transparency and Administrative Efficiency.

As part of the LTFP process, the City is required to undertake rates modelling to demonstrate the scenarios and impacts. The rates increase for each year of the Plan including the revenue amount raised are detailed below:

Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
$ 102,984,995.79	$ 107,618,208.49	$ 112,053,690.16	$ 116,585,108.65	$ 121,290,821.28	$ 126,177,312.27	$ 131,251,301.42	$ 136,519,752.50	$ 141,989,881.93	$ 147,669,167.84
4.08%	3.59%	3.22%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%

The development of the Plan involves modelling many scenarios and options that involve the timing of projects and rates increases. Variations to the timing of projects and assumptions requires the Plan to be reviewed.

The table below provides a sensitivity analysis of lower rate increases than currently predicted for the years 2026 to 2029. The table summarises the rate increases that are currently in the Plan as well as the impact of an increase or decrease of 1% over the life of the Plan.

The alternative scenarios, shown in the table below, outline the cash impacts after one and four years and the full impact on the 10 years of the Plan, are:

- Rates increases of 1% more than the current assumption
- Rates increases being 1% less than the current assumption

Scenario	Rates Increase %				Impact on Cash $'000		
	2025/26	2026/27	2027/28	2028/29	1 Year Impact	5 Year Impact	10 Year Impact
Proposed plan	4.08	3.59	3.22	3.15	$4.90M	$23.21M	$49.58M
1% more than proposed	5.08	4.59	4.22	4.15	$5.87M	$29.09M	$64.28M
1% less than proposed	3.08	2.59	2.22	2.15	($3.92M)	($17.51M)	($36.01M)

Impacts to funding the provision of services, programs and infrastructure projects and maintenance, will also have other consequences in relation to the following:

- Higher borrowings may be required
- Reserves may need to be utilised
- Projects may need to be delayed or removed
- Operating surpluses may be insufficient to cover servicing asset management costs
- Service levels and the condition of assets

There are many indicators that influence Council's rate strategy. The two major influences are discussed in detail below:

5.3.9 External Cost Escalation Rates

Pressure is put on City expenditure because of external cost escalation rates. While the Consumer Price Index (CPI) can be a measure for the City when estimating the increase in expenditure, the index does include items that do not apply to local governments including Alcohol and Tobacco, Housing and Health.

Whilst most multi-term contracts of provision of service, program or infrastructure refer to Perth CPI as the escalation rate for the annual contract price, there are other escalation factors that are not fixed in a contract and that are higher than CPI. For example, the cost of utilities factors heavily on the City's expenditure. The City cannot therefore only use CPI as an indicator of cost escalations. The City is required to consider the City's industrial agreement with staff, the rising superannuation rate, road and building construction escalation rates and interest rates when determining the total expenditure for each year.

Another indicator used in this Plan is WALGA's Local Government Cost index (LGCI). This index looks at cost increases for Local Governments in WA across a range of components to give a forecast. Current estimates put the LGCI at 3.6% for the 30 June 2025 year. This LTFP has also used certain components such as Utilities (estimated at 3% increase for 2025/2026) and Insurance (estimated at 8.1% for 2025/2026). While components such as Utilities and Insurance will be similar across all local governments in WA, components such as employee costs and materials and contracts are specific to each local government. A more detailed view of the assumptions and escalations used in the Plan can be seen in the Assumptions section of this report. As part of the annual review of the Plan, external cost escalation rates are reviewed.

5.3.10 Community Capacity to Pay

In comparison to more recent financial years, the economic conditions are more positive predominantly due to the easing inflation and a stable labour market. These trends suggest that many local households are experiencing a gradual improvement in their cost-of-living pressures. Inflation in Perth and across Australia has continued to ease. According to the Australian Bureau of Statistics, the CPI rose by 2.4% over the year to March 2025, down from higher inflation rates experienced in prior years.

This moderation in price increase indicates that the cost of everyday goods and services is increasing at a more manageable pace for most households. At the same time, wages in Western Australia have continued to rise. The Wage Price Index (WPI) for the state increased by 3.7% in the 12 months to March 2025 compared to 2.8% for the Perth CPI in the same period. With wage growth outpacing inflation, real incomes have improved, giving residents greater purchasing power and easing financial pressures.

Over the last 12 months, Mandurah's unemployment rate has marginally changed from 4.7% to 4.8%. Employment in the Mandurah Statistical Area Level 4 (SA4) has reached record highs, with over 50,000 residents currently in work. Participation in the labour force has also remained relatively stable at 53%.

While specific wage or inflation data is not produced for Mandurah alone, these regional employment trends, when combined with broader state indicators, suggest that Mandurah households are sharing in the benefits of slowing inflation.

This data indicates that the outlook for cost-of-living pressures is more favourable than in recent years. Households in Mandurah are benefiting from low unemployment, rising wages, and stable prices. Local government rates remain an affordable component of the average household budget, especially when considered alongside broader economic gains. However, the City must continue to manage its own exposure to rising costs due to inflation-linked contractual obligations, even as residents experience improved financial wellbeing.

5.3.11 Strategy for affordable rate setting

Since the adoption of the 2021/2030 LTFP in 2021, Council has endorsed a rating strategy applying the CPI plus an additional 0.68% which represents a staged approach to reach the required level of investment into asset renewal within 10 years.

This rating strategy was developed following a review of historical data relating to the actual renewal asset investment by the City compared to the amount required to be invested to ensure there is no loss in condition of the asset to maintain the current level of service to the community. The review found that there was around a $6 million shortfall per year if no action was taken. In addition to further substantiating the position that action was required to invest in renewal projects, an audit finding indicated that the City was not investing enough in its renewal of infrastructure assets.

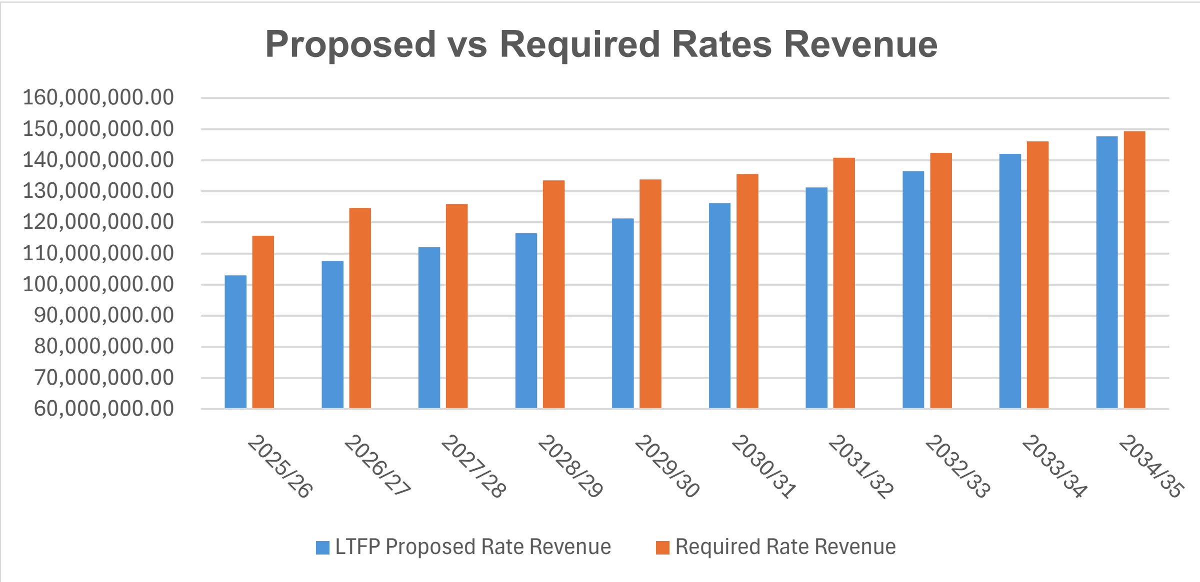
This rating strategy of an additional 0.68% per annum required rates to be raised to continue existing service levels, will reach the required renewal investment within 10 years. The investment in asset renewals will maintain service levels for current and future generations without a decline in quality or efficiency of the assets. There may be years where the renewal expenditure for the financial year is less than what is allocated in the LTFP. In these years, the balance of funds will be transferred to the Asset Management Reserve to be used in the required year that renewal work is undertaken. This ensures that the current ratepayers of that year, are still paying for their enjoyment of the use of the City assets, and the allocation is spread between the renewal projects and the Asset Management Reserve. If there is no action taken, the long term impact is a decline in the condition of the City's assets and service level.

Until such time as there is no shortfall between the actual rates raised and the required rates to be raised, the City has to utilise the Asset Management Reserve and borrowings to fund the renewal projects. The City officers recommend that the treatment of surplus from the previous year is transferred to the Asset Management Reserve due to the current ratepayers not paying the actual amount required to cover the use of enjoyment of the City assets in that year. To ensure the decline in assets in the current year are paid for by the ratepayers who have benefited from them, the rating strategy of an additional 0.68% has been recommended. To fund the renewal projects in the past, the City has utilised strategies such as:

- allocating the end of year surplus to the Asset Management Reserves as a result of the current ratepayers shortfall between the rates being paid and the required amount to be paid in that year;
- funding renewal projects through the Asset Management Reserve;
- increasing borrowings as any renewal is likely to have an intergenerational benefit.

The City has undertaken modelling to determine what rates revenue would be required if the rating strategy was not staged and the Council applied the shortfall immediately, compared to the staged approach adopted by Council where an additional 0.68% per year applies as well as the utilisation of Asset Management Reserve to fund renewals until such time as it is depleted.

The graph below shows the required rates revenue compared with the LTFP rates revenue, demonstrating that the current ratepayers are paying less than what is required to cover the use and enjoyment of the City's total assets in one year. The required rate revenue considers all operational costs included in the LTFP, the decline in value of assets in that year based on the total assets (and allocated to either capital or transfer to Asset Management Reserve), and not utilising borrowings for the renewal part of the project. The LTFP rate revenue includes all operational costs included in the LTFP, the amount allocated to capital and utilises borrowings for the renewal part of the project due to insufficient funds in the Asset Management Reserve.

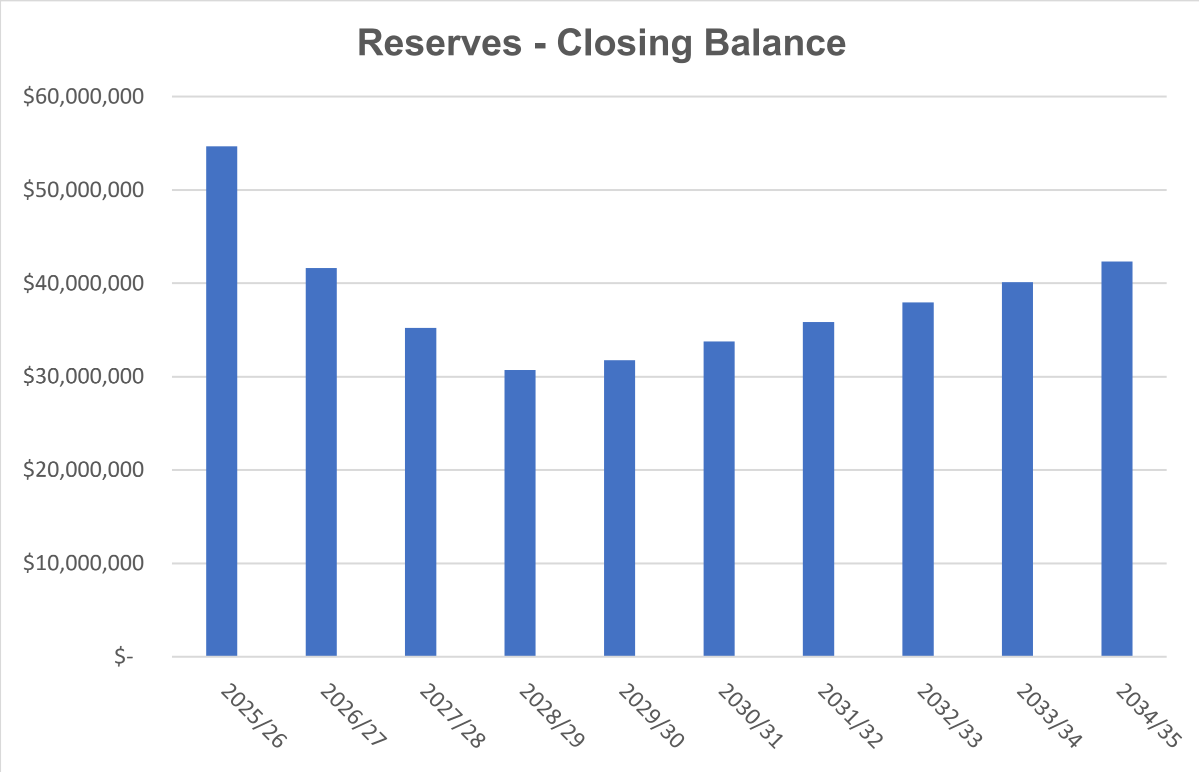


5.3.12 Reserves

The City's reserve balances as at 30 June 2025 are estimated to total $62.3 million. The City's current reserves will be systematically reviewed including the purpose of the reserve, amount including a cap if any, the need of the reserve and what the reserve will be spent on.

Information on the City's Reserves is available in **Attachment Six.**

The below chart summarises the total value held in reserves over the 10 years:



The City has the following reserves (excluding SAR Reserves):

Reserve & Purpose	**Improvements & Funds Required**
Building - Future new building capital requirements	There are a small number of new buildings in the Plan. It is recommended that no additional funds are transferred to the reserve.
Asset Management - Renewal and upgrade of current infrastructure	Any surplus funds from year end to be transferred to this reserve. Currently there is insufficient funds to maintain reasonable level of standards across the entire asset portfolio. It is recommended that the Council invest more into renewal expenditure over the life of the Plan.
Cultural Centre - Equipment/plant replacement for Mandurah Performing Arts Centre and the provision of standby financing	Reserve almost depleted, no further funding identified currently
Sustainability - Development of Mandurah as a sustainable city	For the use of sustainable development in the City
Waste Facilities Reserve Fund - Future waste treatment initiatives	These funds are for capital projects that address waste treatment initiatives.

Interest Free Loans - Interest-free loans to sporting & community groups for minor capital projects	Interest-free loans approved by council are taken from this reserve and any repayments though-out the year are put back in
CLAG - Contiguous Local Authority Group for control of mosquitoes	This is the City's amount held in reserve when the City's contribution exceeds the actual expenditure incurred. The City is required to maintain a reserve for any under spends and where additional funds are required in a year, the City is to use the balance of the reserve to fund in the first instance.
Mandurah Ocean Marina - Future maintenance/asset replacement at Mandurah Ocean Marina	Under agreement when the lots were developed. Reserve for any future maintenance/Asset replacement
Waterways - Future maintenance/asset replacement of specific waterways infrastructure	Under agreement when the lots were developed. Reserve for any future maintenance/Asset replacement
Port Mandurah Canals Stage 2 Maintenance - Stage 2 Future maintenance of canals	Under agreement when the lots were developed. Reserve for any future maintenance/Asset replacement
Mariners Cove Canals - Future maintenance of canals	Under agreement when the lots were developed. Reserve for any future maintenance/Asset replacement
Port Bouvard Canal Maintenance Contributions - Contribution Future maintenance of canals	Under agreement when the lots were developed. Reserve for any future maintenance/Asset replacement
Cash in Lieu POS Contributions - Contributions received in accordance with Planning & Development Act	Contributions received in accordance with Planning & Development Act are placed in this reserve for future use
Unspent Grants & Contributions - Operating and non-operating grants and contributions tied to future expenditure.	Used to carry forward unspent grants and contributions from the previous year. The amount reflects the actual amount required to be in reserve.
Leave Reserve - To fund the long service and sick leave liability of City's staff.	The reserve balance is in line with the City's current long service leave liability.
Bushland and Environmental Protection - For the purchase & protection of bushland and	Reserve capped at $1.5 million – contribution to reserve (if not at the cap) is $200,000 per year.

environmentally sensitive sites within the City	
Coastal Storm Contingency - Provide for coastal emergency works due to storm damage	The amount may not cover all expenditure required for emergency works, however will fund a portion of the clean-up costs in a coastal storm event.
Digital Futures - Fund development, investigation or commissioning of digital technology initiatives.	Reserve to be reviewed and future funding requirements presented in future reviews of the Plan
Decked Carparking - Amount received from Landcorp in June 2006, set aside for Decked Carparking	This is a cash in lieu amount and has been created for a set purpose. No further contributions are recommended.
Sport Clubs Maintenance Levy - To maintain various city buildings leased to clubs	The amount aligns to the lease agreements and reduces the City's contribution to repairing or replacing items in these buildings.
City Centre Land Acquisition Reserve - For future property purchases within the City Centre area	A review of properties to be funded from this reserve is currently being undertaken.
Lakelands Community Infrastructure Reserve - Contribute to the construction of the community infrastructure on Lot 2300 Seppings Parade Lakelands	This is a cash in lieu amount and has been created for a set purpose. No further contributions are recommended.
Plant reserve - Replacement of heavy plant and equipment	Capital expenditure on plant and equipment is approximately $2.6 million per year. No transfers to reserve are included in the Plan.
Workers Compensation - For the purposes of funding previous year workers compensation claims that are open and still have costs required to be paid by the City of Mandurah.	Reserve to increase to LGIS suggested reserve balance for Workers Compensation. Reviewed annually.
Restricted Cash Reserve	Restricted cash carried forward for future use.
Mandurah Quay Seawall Reserve	To fund future replacement works to the Mandurah Quay Seawall
Community Safety	To fund the relevant actions in the Community Safety Strategy that have been identified as being funded from this reserve.

Public Art	To fund future Public Art Capital Projects

5.4 Revenue Principle

In addition to the rating revenue, the City will identify and explore opportunities through the following criteria:

- Actively seek grants and contributions when available and aligned to the delivery of the Strategic Community Plan;
- Manage advocacy priorities and efforts in accordance with the City of Mandurah Advocacy Framework;
- Demonstrate continuous improvement in the achievement of the DLGSC Operating Surplus Ratio standard (refer Section 6.6 of this Plan);
- Identify opportunities to increase the level of commercial returns and broaden commercial opportunities where practical; and
- Fees and charges for the provision of for profit services must recover the full economic cost of providing the service.

5.5 Efficiency Principle

The City is committed to maximising organisational efficiencies through the following criteria:

- Resources are allocated in accordance with objectives in the Strategic Community Plan and Corporate Business;
- Service levels will be assessed and reviewed by Council in accordance with the City of Mandurah Service Review Framework to achieve the best value for money and appropriate quality aligned to community expectations; and
- A culture of continuous improvement is embedded within the City, with a focus on identifying and implementing ways to increase the efficiency of business processes.

5.5.1 Efficiency Program

The City has established an Efficiency Program which includes the following strategies:

Strategy 1 Permanent Cost Saving

As part of the 2024/2025 LTFP adoption, Council set the City an annual efficiency target of $250,000 in permanent cost savings to be generated through review of contracts, programs and services. The efficiency target has been incorporated into Year 1 of the Plan, which will achieve a permanent reduction of $250,000 to operating expenditure each year, resulting in $2.5 million in permanent savings over the ten year Plan. Regular reporting on the achievement of the efficiency target will be provided to Council.

The cumulative effect of this initiative over the Plan is demonstrated in the table below:

Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
250,000.00	500,000.00	750,000.00	1,000,000.00	1,250,000.00	1,500,000.00	1,750,000.00	200,000.00	2,250,000.00	2,500,000.00

Strategy 2 One-off cost savings

Council budgets for a deficit of $500,000 and is required to find one-off cost savings over the course of the financial year to achieve a balanced budget. This is achieved through a range of strategies and is reported to Council through the budget process.

Strategy 3 Business Improvement

The City has embraced a culture of continuous improvement and new ways of doing business, which will improve productivity across the organisation. The City focuses on digital transformation and is implementing a range of projects which will result more efficient use of resources and improved experience for customers.

Strategy 4 Service and Program Reviews

The City undertakes service, and program reviews each year to ensure services and programs are aligned to community need and expectations and are providing value for money for the City. These reviews analyse the City's services to review current delivery and identify any potential improvements. The reviews can be used to improve the organisation's efficiency and effectiveness, assist in addressing financial sustainability.

6. Key Ratios

The Department of Local Government Sport and Cultural Industries (DLGSC) considers several ratio's when measuring the performance of local governments. These ratios are:

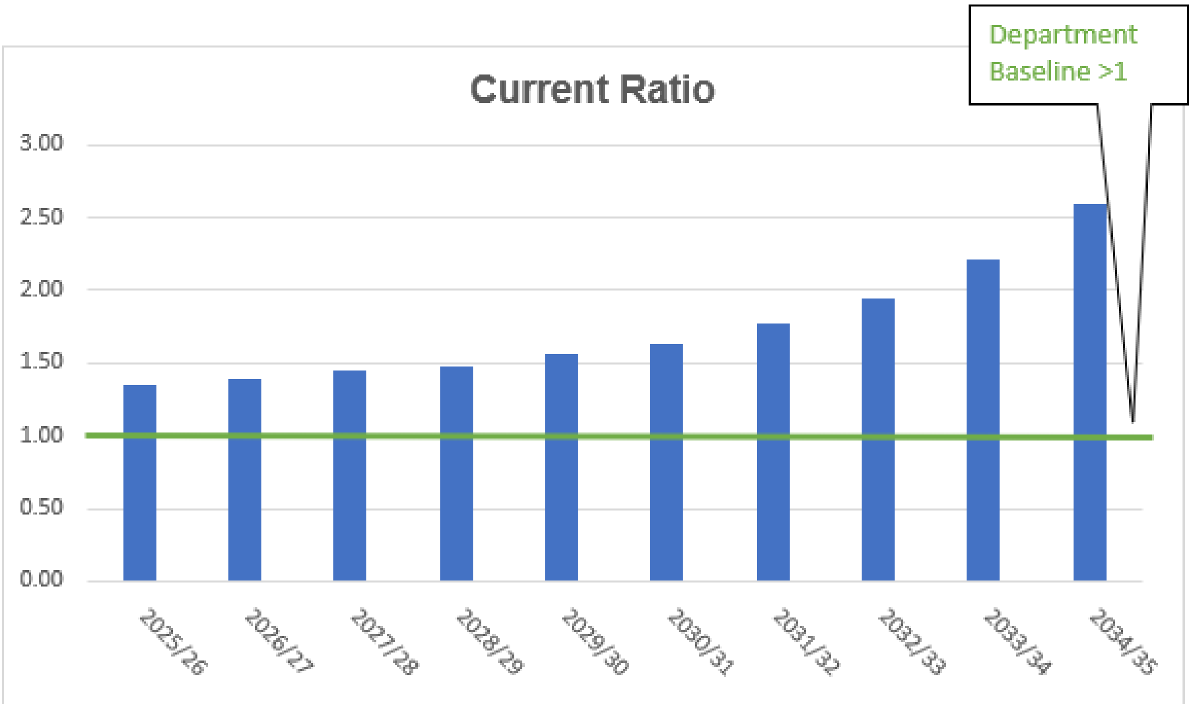
- Current Ratio
- Asset Consumption Ratio
- Asset Renewal Funding Ratio
- Asset Sustainability Cover Ratio
- Debt Service Ratio
- Operating Surplus Ratio
- Own Source Revenue Ratio

Information on the City's Ratio's is available in **Attachment Seven.** A summary of the City's performance against these ratios is provided below:

6.1 Current Ratio

Liquidity refers to how quickly and cheaply an asset can be converted into cash. A local government's liquidity is measured by the Current Ratio. This ratio provides information on the ability of a local government to meet its short-term financial obligations out of unrestricted current assets.

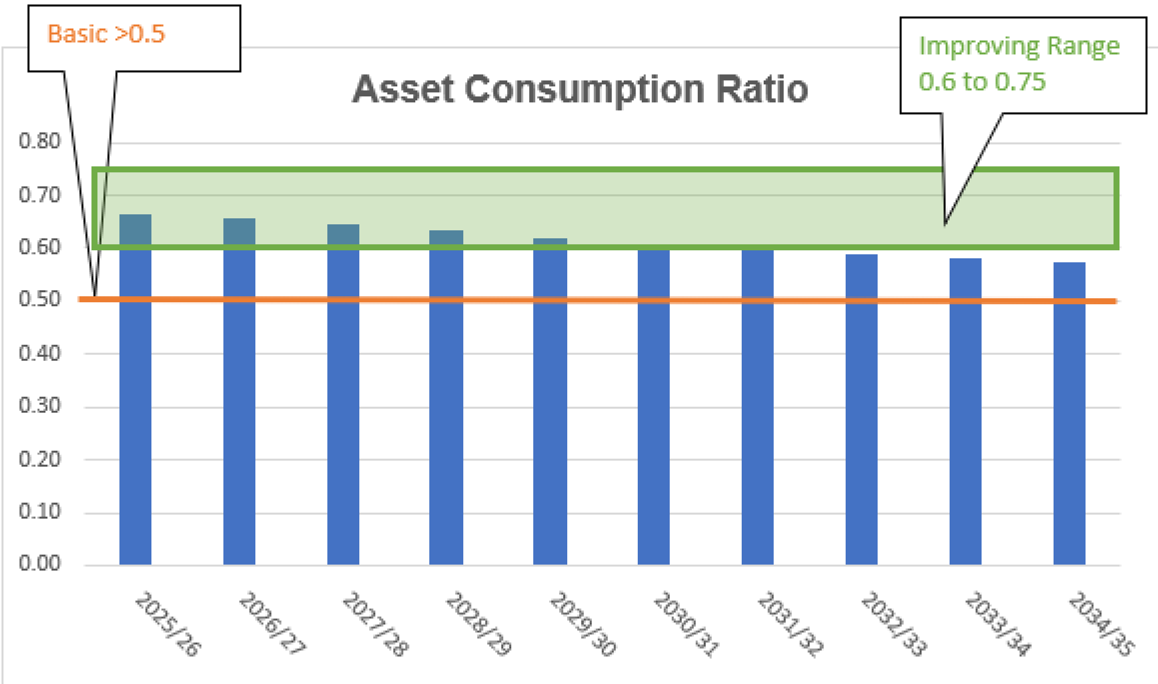
The standard is not met if the ratio is lower than 1:1 (less than 100%) The standard is met if the ratio is greater than 1:1 (100% or greater). A ratio less than 1:1 means that a local government does not have sufficient assets that can be quickly converted into cash to meet its immediate cash commitments. This may arise from a budget deficit from the past year, a Council decision to operate an overdraft or a decision to fund leave entitlements from next year's revenues



6.2 Asset Consumption Ratio

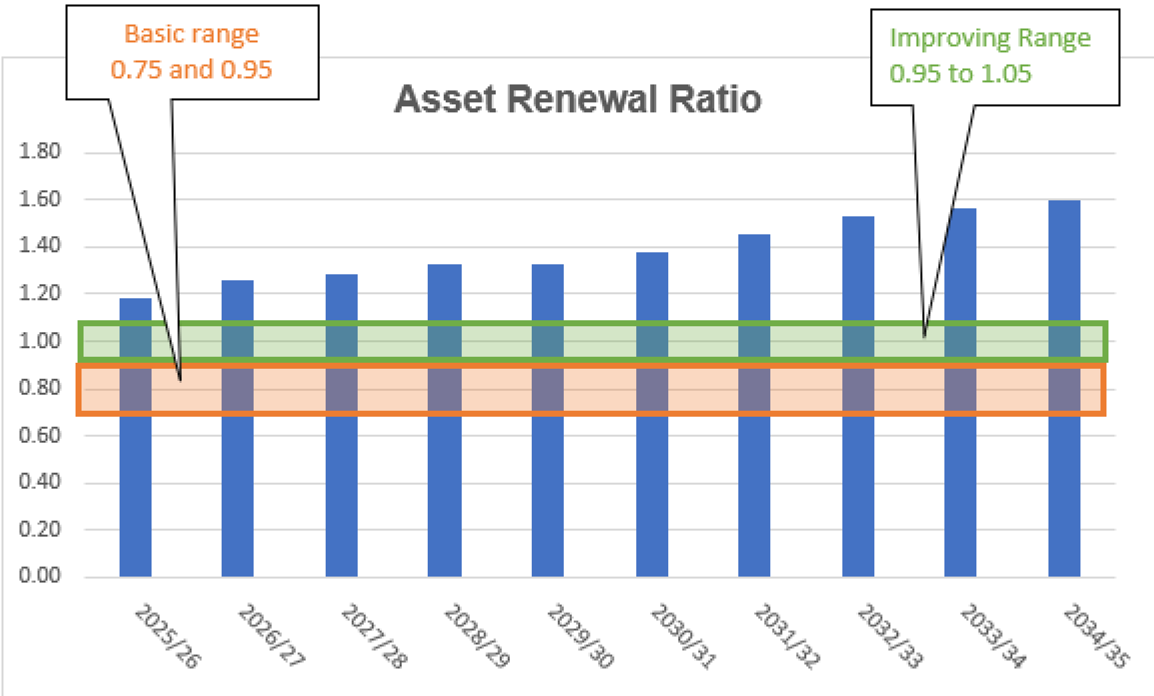
This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost. This ratio seeks to highlight the aged condition of a local government's stock of physical assets. If a local government is responsible for maintaining and renewing/replacing its assets in accordance with a well-prepared asset management plan, then the fact that its Asset Consumption Ratio may be low and/or declining should not be cause for concern – providing it is operating sustainably.

Standard is met if the ratio can be measured and is 50% or greater (0.50 or >). Standard is improving if the ratio is between 60% and 75% (0.60 and 0.75).



6.3 Asset Renewal Funding Ratio

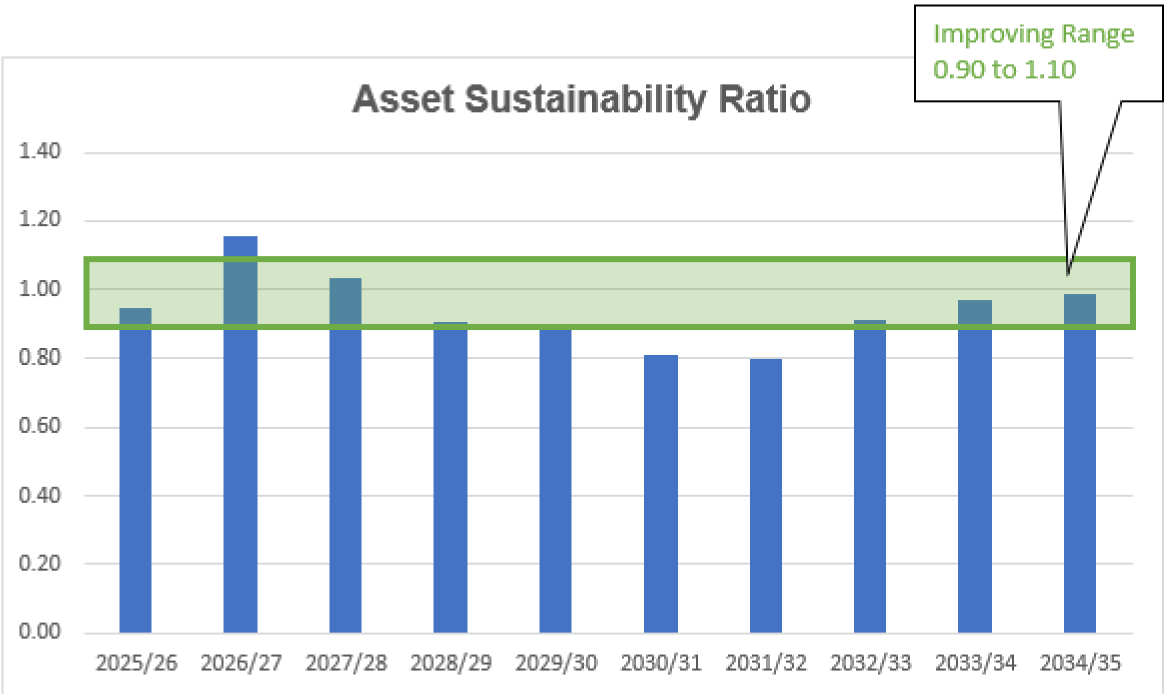
This ratio is a measure of the ability of a local government to fund its projected asset renewal/replacements in the future. This ratio indicates whether the local government has the financial capacity to fund asset renewal as required and can continue to provide existing levels of services in future, without additional operating income; or reductions in operating expenses. The ratio is calculated from information included in the local government's long term financial plan and its asset management plan; not the Annual Financial Report. For the ratio to be meaningful, a consistent discount rate should be applied in Net Present Value (NPV) calculations. Standard is met if the ratio is between 75% and 95% (or 0.75 and 0.95). Standard is improving if the ratio is between 95% and 105% (or 0.95 and 1.05), and the ASR falls within the range 90% to 110%, and ACR falls within the range 50% to 75%.



6.4 Asset Sustainability Ratio

This ratio indicates whether a local government is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out. This ratio is an estimate of the extent to which assets managed by a local government are being replaced as they reach the end of their useful lives. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to depreciation expense. Expenditure on new or additional assets is excluded. Depreciation expense represents an estimate of the extent to which the assets have been consumed during that period. Measuring assets at fair value is critical to the calculation of a valid depreciation expense value.

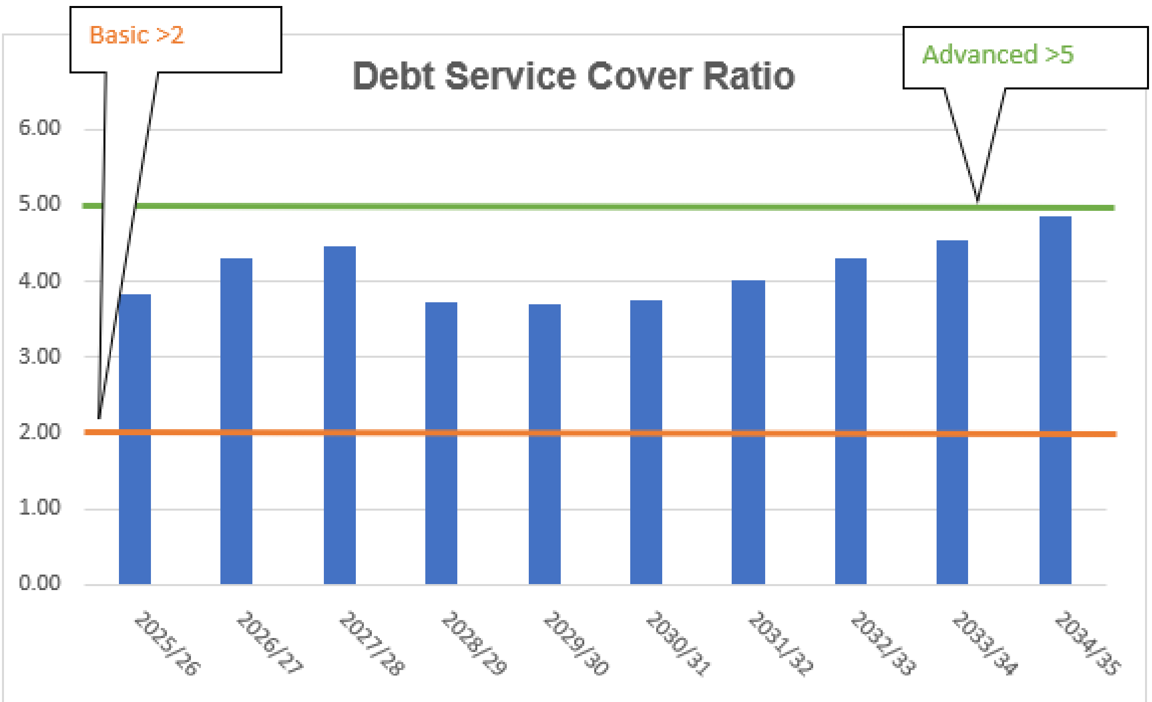
Standard is met if the ratio can be measured and is 90% (or 0.90) Standard is improving if this ratio is between 90% and 110% (or 0.90 and 1.10).



6.5 Debt Service Ratio

A local government's ability to service debt. This is the measurement of a local government's ability to produce enough cash to cover its debt payments. This ratio is the measurement of a local government’s ability to repay its debt including lease payments. The higher the ratio is, the easier it is for a local government to obtain a loan.

A Basic standard is achieved if the ratio is greater than or equal to two. An Advanced standard is achieved if the ratio is greater than five.

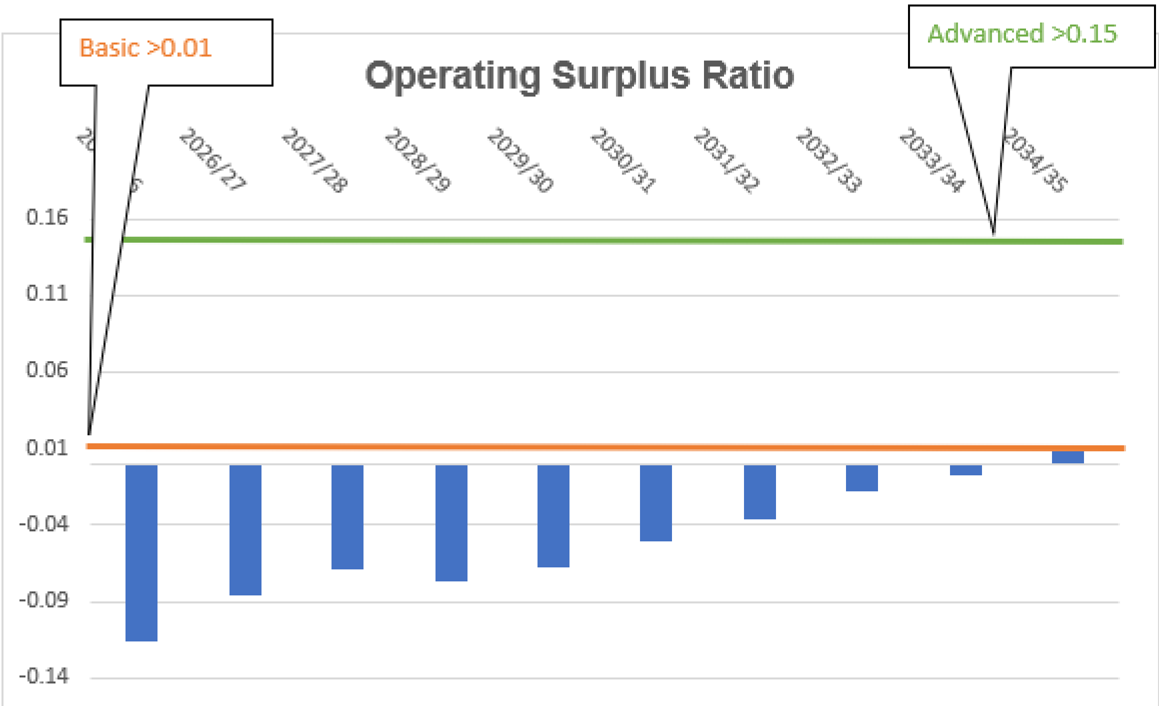


6.6 Operating Surplus Ratio

This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes. If a local government consistently achieves a positive operating surplus ratio and has soundly based long term financial plans showing that it can continue to do so in the future, having regard to asset management and the community's service level needs, then it is considered financially sustainable.

A positive ratio indicates the percentage of total own source revenue available to help fund proposed capital expenditure, transfer to cash reserves or to reduce debt. A negative ratio indicates the percentage increase in total own source revenue (principally rates) that would have been required to achieve a break-even operating result.

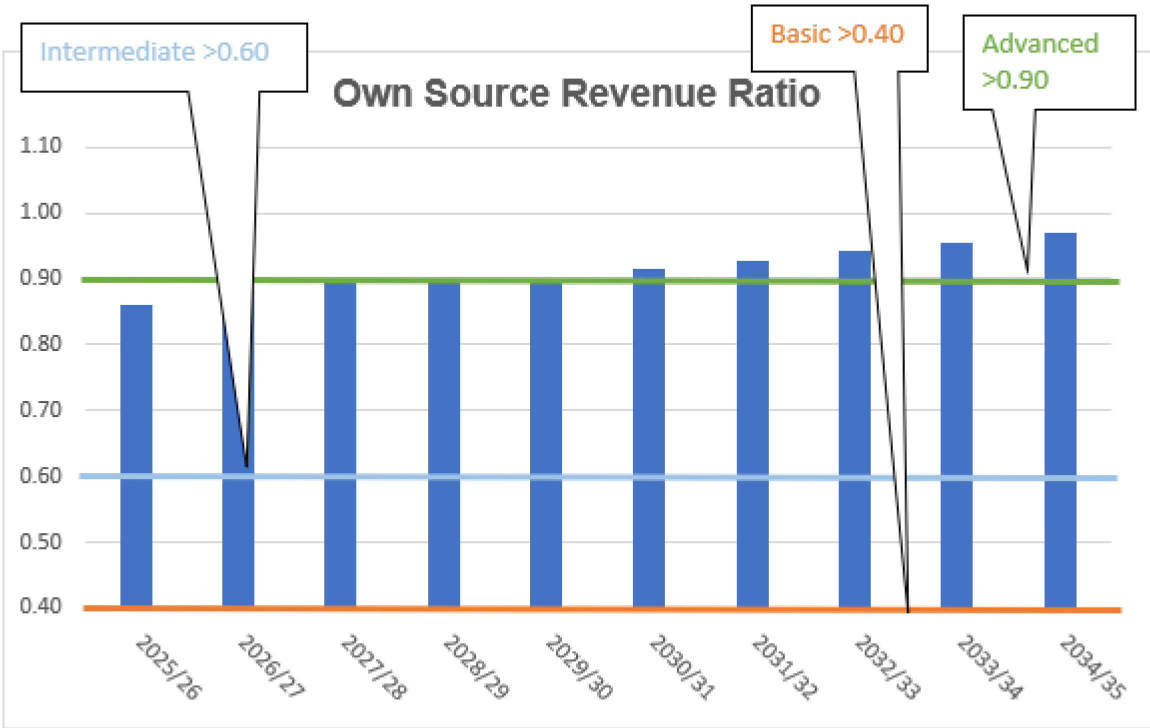
Basic Standard between 1% and 15% (0.01 and 0.15) Advanced Standard > 15% (>0.15).



6.7 Own Source Revenue Ratio

This ratio is a measure of a local government's ability to cover its costs through its own taxing and revenue efforts. This ratio is the measurement of a local government's ability to cover its costs through its own revenue efforts. Different standards have been established to recognise the varying revenue raising capacities across the sector, where some rural and remote local governments have limited rate bases and revenue raising capacity, whereas others such as major metropolitan and regional local governments have significant rate bases and other own source revenues.

Basic standard is achieved if the ratio is between 40% and 60% (or 0.4 and 0.6). An Intermediate standard is achieved if the ratio is between 60% and 90% (or 0.6 and 0.9). An Advanced standard is achieved if the ratio is greater than 90% (or > 0.9).



7. Summary

This Plan is integral to the City's achievement of the Strategic Community Plan and ensures that financial decision making is accountable, transparent and responsive to the community's needs. This Plan has been developed recognising the impact of cost of living and ensures the City's decision making is responsive to current and future communities. The Plan is reviewed annually, and the City welcomes any feedback on the Plan as it strives for continuous improvement. If you have any feedback, please email council@mandurah.wa.gov.au and include in the subject Long Term Financial Plan.

8. Attachments

- **Attachment 1 – Summary**
- **Attachment 2 – New Operating and Employees**
- **Attachment 3 – Capital**
- **Attachment 4 – Assumptions**
- **Attachment 5 – Borrowings**
- **Attachment 6 – Reserves**
- **Attachment 7 – Ratios**

Attachment 1 - Summary

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Opening Funding Surplus / (Deficit)	**$ 600,000.00**	**-$ 507,116.53**	**-$ 507,116.26**	**-$ 507,116.26**	**-$ 507,116.26**	**-$ 507,116.26**	**-$ 507,116.26**	**-$ 507,116.26**	**-$ 507,116.26**	**-$ 507,116.26**
Operating Income										
Rates	$ 102,984,995.79	$ 107,618,208.49	$ 112,053,690.16	$ 116,585,108.65	$ 121,290,821.28	$ 126,177,312.27	$ 131,251,301.42	$ 136,519,752.50	$ 141,989,881.93	$ 147,669,167.84
Operating grants, subsidies and contributions	$ 6,855,939.00	$ 6,893,224.96	$ 7,065,165.30	$ 7,241,794.43	$ 7,422,839.29	$ 7,608,410.27	$ 7,798,620.53	$ 7,993,586.04	$ 8,193,425.69	$ 8,398,261.34
Other income	$ 88,539.17	$ 90,974.00	$ 93,248.35	$ 95,579.56	$ 97,969.05	$ 100,418.27	$ 102,928.73	$ 105,501.95	$ 108,139.50	$ 110,842.98
Fees & Charges	$ 39,865,934.97	$ 41,596,308.98	$ 43,397,195.34	$ 44,482,125.22	$ 45,594,178.35	$ 46,734,032.81	$ 47,902,383.63	$ 49,099,943.22	$ 50,327,441.80	$ 51,585,627.85
Interest Earnings	$ 4,701,840.00	$ 4,831,140.60	$ 4,951,919.12	$ 5,075,717.09	$ 5,202,610.02	$ 5,332,675.27	$ 5,465,992.15	$ 5,602,641.96	$ 5,742,708.01	$ 5,886,275.71
Operating Income Total	**$ 154,497,248.93**	**$ 161,029,857.03**	**$ 167,561,218.26**	**$ 173,480,324.96**	**$ 179,608,417.99**	**$ 185,952,848.90**	**$ 192,521,226.47**	**$ 199,321,425.67**	**$ 206,361,596.93**	**$ 213,650,175.71**
Operating Expenses										
Direct Employee costs	-$ 60,785,489.14	-$ 61,064,868.52	-$ 63,586,252.68	-$ 68,664,380.02	-$ 71,001,063.70	-$ 71,939,630.15	-$ 73,853,320.48	-$ 75,814,853.06	-$ 77,825,423.96	-$ 79,900,460.33
Materials and Contracts	-$ 67,727,657.15	-$ 69,240,822.82	-$ 70,331,397.73	-$ 72,354,814.48	-$ 74,429,888.32	-$ 76,586,068.50	-$ 78,359,107.95	-$ 79,544,571.06	-$ 82,099,931.15	-$ 83,706,843.66
Utilities	-$ 5,053,951.13	-$ 5,218,547.32	-$ 5,367,160.86	-$ 5,446,426.40	-$ 5,519,176.37	-$ 5,592,944.84	-$ 5,667,746.06	-$ 5,743,594.51	-$ 5,820,504.83	-$ 5,898,491.90
Depreciation	-$ 35,558,048.26	-$ 35,913,628.75	-$ 36,272,765.03	-$ 36,635,492.68	-$ 37,001,847.61	-$ 37,371,866.09	-$ 37,745,584.75	-$ 38,123,040.60	-$ 38,504,271.00	-$ 38,889,313.71
Interest Expense	-$ 926,706.18	-$ 1,103,472.73	-$ 1,190,720.03	-$ 1,313,181.47	-$ 1,444,117.51	-$ 1,598,266.43	-$ 1,557,926.15	-$ 1,509,276.05	-$ 1,452,828.73	-$ 1,380,405.86
Insurance	-$ 1,613,378.93	-$ 1,710,181.67	-$ 1,778,588.94	-$ 1,830,168.01	-$ 1,883,242.89	-$ 1,937,856.93	-$ 1,994,054.78	-$ 2,051,882.37	-$ 2,111,386.96	-$ 2,172,617.18
Operating Expenses Total	**-$ 171,665,230.80**	**-$ 174,251,521.80**	**-$ 178,526,885.28**	**-$ 186,244,463.07**	**-$ 191,279,336.39**	**-$ 195,026,632.94**	**-$ 199,177,740.17**	**-$ 202,787,217.65**	**-$ 207,814,346.64**	**-$ 211,948,132.64**
Non-cash amounts excluded from operating activities	$ 35,558,048.26	$ 35,913,628.75	$ 36,272,765.03	$ 36,635,492.68	$ 37,001,847.61	$ 37,371,866.09	$ 37,745,584.75	$ 38,123,040.60	$ 38,504,271.00	$ 38,889,313.71
Amount attributable to operating activities	**$ 18,390,066.40**	**$ 22,691,963.98**	**$ 25,307,098.01**	**$ 23,871,354.57**	**$ 25,330,929.21**	**$ 28,298,082.05**	**$ 31,089,071.04**	**$ 34,657,248.61**	**$ 37,051,521.29**	**$ 40,591,356.78**
Investing activities										
Non-operating grants, subsidies and contributions	$ 15,765,993.70	$ 24,176,678.00	$ 22,324,182.00	$ 8,109,800.00	$ 6,570,968.00	$ 7,389,919.00	$ 5,172,115.00	$ 6,408,010.00	$ 5,129,615.00	$ 4,379,615.00
Proceeds from disposal of assets	$ 1,262,295.82	$ 1,295,115.51	$ 3,827,493.40	$ 1,360,680.73	$ 1,394,697.75	$ 1,429,565.19	$ 1,465,304.32	$ 1,501,936.93	$ 1,539,485.36	$ 1,577,972.49
Payments for property, plant and equipment	-$ 39,868,438.60	-$ 62,885,593.00	-$ 57,688,211.00	-$ 38,597,897.00	-$ 34,388,314.00	-$ 27,497,055.00	-$ 24,482,359.00	-$ 25,929,529.00	-$ 23,034,255.00	-$ 21,534,255.00
Admin Overheads allocated to Capital	-$ 2,144,079.74	-$ 3,179,851.69	-$ 2,945,969.50	-$ 2,086,905.37	-$ 1,547,474.13	-$ 1,888,696.44	-$ 1,888,696.44	-$ 1,888,696.44	-$ 1,888,696.44	-$ 1,888,696.44
Additional renewal expenditure		$ -	-$ 0.00	$ -	$ -	-$ 4,574,698.61	-$ 8,167,411.31	-$ 11,400,646.23	-$ 15,487,078.82	-$ 18,013,579.55
Amount attributable to investing activities	**-$ 24,984,228.82**	**-$ 40,593,651.18**	**-$ 34,482,505.10**	**-$ 31,214,321.63**	**-$ 27,970,122.38**	**-$ 25,140,965.85**	**-$ 27,901,047.43**	**-$ 31,308,924.74**	**-$ 33,740,929.90**	**-$ 35,478,943.50**
Financing Activities										
Proceeds from new debentures	$ 5,500,000.00	$ 10,000,000.00	$ 8,000,000.00	$ 8,500,000.00	$ 9,500,000.00	$ 5,000,000.00	$ 5,000,000.00	$ 5,000,000.00	$ 5,000,000.00	$ 3,250,000.00
Unspent Loans Utilised										
Proposed Additional expenditure reduction	$ 250,000.00	$ 500,000.00	$ 750,000.00	$ 1,000,000.00	$ 1,250,000.00	$ 1,500,000.00	$ 1,750,000.00	$ 2,000,000.00	$ 2,250,000.00	$ 2,500,000.00
Payment of lease liability	-$ 1,145,072.01	-$ 1,167,973.45	-$ 1,191,332.92	-$ 1,215,159.57	-$ 1,239,462.77	-$ 1,264,252.02	-$ 1,289,537.06	-$ 1,315,327.80	-$ 1,348,211.00	-$ 1,381,916.27
Proceeds from self-supporting loans										
Transfer from reserves	$ 6,850,000.00	$ 14,889,028.00	$ 8,300,309.87	$ 6,478,916.80	$ 926,871.86	$ -	$ -	$ -	$ -	$ -
Repayment of debentures	-$ 4,125,066.11	-$ 4,434,166.71	-$ 4,758,778.63	-$ 5,455,418.30	-$ 5,791,248.92	-$ 6,343,262.14	-$ 6,555,183.61	-$ 6,894,899.71	-$ 7,028,370.77	-$ 7,249,426.29
Transfer to reserves	-$ 1,842,816.00	-$ 1,885,200.38	-$ 1,924,791.23	-$ 1,965,371.87	-$ 2,006,967.01	-$ 2,049,602.04	-$ 2,093,302.94	-$ 2,138,096.36	-$ 2,184,009.62	-$ 2,231,070.71
Amount attributable to financing activities	**$ 5,487,045.89**	**$ 17,901,687.47**	**$ 9,175,407.09**	**$ 7,342,967.06**	**$ 2,639,193.17**	**-$ 3,157,116.20**	**-$ 3,188,023.61**	**-$ 3,348,323.88**	**-$ 3,310,591.39**	**-$ 5,112,413.28**
Closing Funding Surplus / (Deficit)	($507,117)	($507,116)	($507,116)	($507,116)	($507,116)	($507,116)	($507,116)	($507,116)	($507,116)	($507,116)
Surplus/(Deficit) no carry forward	($507,117)	$0	$0	($0)	($0)	($0)	($0)	($0)	$0	($0)

Attachment 2 - New Operating and Employees

FTE Proposal	FTE Funded By	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035
The City is required to undertake ongoing groundwater monitoring on the Operations Centre and Red Road.	City Funding Required	64,500.00	64,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development of Urban Canopy Plan and Monitoring	City Funding Required	80,000.00	80,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Age Friendly Mandurah Strategy development	City Funding Required	25,000.00	0.00	0.00	0.00	0.00	40,000.00	0.00	0.00	0.00	0.00
Supporting consultancy studies for Permanent sand bypassing feasibility and business case	City Funding Required	100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**269,500.00**	**144,500.00**	**0.00**	**0.00**	**0.00**	**40,000.00**	**0.00**	**0.00**	**0.00**	**0.00**

FTE Proposal	FTE Funded By	FTE Required	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035
Programs Administration Support 0.5 FTE	Increase in Revenue	0.5	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80
Swim School Administration Support 0.5 FTE	Increase in Revenue	0.5	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80
Fitness Administration Support 0.5 FTE	Increase in Revenue	0.5	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80
Aquatic Administration Support 0.5 FTE	Increase in Revenue	0.5	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	38,630.80	52,832.00
2025/2026 – City Parks North new park sites	Esculation assumption for new assets	0.2	11,671.92	11,671.92	11,671.92	11,671.92	11,671.92	11,671.92	11,671.92	11,671.92	11,671.92	11,671.92
2025/2026 – City Parks South new park sites	Esculation assumption for new assets	0.4	33,070.44	33,070.44	33,070.44	33,070.44	33,070.44	33,070.44	33,070.44	33,070.44	33,070.44	33,070.44
2025/2026 - City Parks South New park sites	Esculation assumption for new assets	1.6	116,719.20	116,719.20	116,719.20	116,719.20	116,719.20	116,719.20	116,719.20	116,719.20	116,719.20	116,719.20
2025/2026 - City Parks Central New park site	Esculation assumption for new assets	0.1	5,835.96	5,835.96	5,835.96	5,835.96	5,835.96	5,835.96	5,835.96	5,835.96	5,835.96	5,835.96
2026/2027 - City Parks North New Park Sites	Esculation assumption for new assets	0.7	0.00	50,578.32	50,578.32	50,578.32	50,578.32	50,578.32	50,578.32	50,578.32	50,578.32	50,578.32
2026/2027 - City Parks North new park sites	Esculation assumption for new assets	0.7	0.00	54,468.96	54,468.96	54,468.96	54,468.96	54,468.96	54,468.96	54,468.96	54,468.96	54,468.96
2026/2027 - City Parks Central new park sites	Esculation assumption for new assets	0.8	0.00	58,359.60	58,359.60	58,359.60	58,359.60	58,359.60	58,359.60	58,359.60	58,359.60	58,359.60
2027/2028 - City Parks North New park sites	Esculation assumption for new assets	1.5	0.00	0.00	112,828.56	112,828.56	112,828.56	112,828.56	112,828.56	112,828.56	112,828.56	112,828.56
2028/2029 - City Parks North new park sites	Esculation assumption for new assets	0.7	0.00	0.00	0.00	50,578.32	50,578.32	50,578.32	50,578.32	50,578.32	50,578.32	50,578.32
2025/2026 - City Parks -Turf maintenance staff	Esculation assumption for new assets	1.0	73,922.16	73,922.16	73,922.16	73,922.16	73,922.16	73,922.16	73,922.16	73,922.16	73,922.16	73,922.16
New Handyman Maintenance Officer	Esculation assumption for new assets	1.0	76,668.80	76,668.80	76,668.80	76,668.80	76,668.80	76,668.80	76,668.80	76,668.80	76,668.80	76,668.80
2025/2026 Hours for nursery role 0.6 FTE to 0.8 FTE	Esculation assumption for new assets	0.2	16,140.80	16,140.80	16,140.80	0.00	16,140.80	16,140.80	16,140.80	16,140.80	16,140.80	16,140.80
Additional FTE in the Irrigation Team	Esculation assumption for new assets	1.0	80,422.96	80,422.96	80,422.96	80,422.96	80,422.96	160,845.92	160,845.92	160,845.92	160,845.92	160,845.92
	Total	**11.9**	**568,975.440**	**732,382.320**	**845,210.880**	**879,648.400**	**895,789.200**	**976,212.160**	**976,212.160**	**976,212.160**	**976,212.160**	**990,413.360**

Attachment 3 - Capital

Programs	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	Program Cost	Grants Funding	CoM Funding
Bridges Program	$ 400,000	$ 250,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 650,000	$ 167,000	$ 483,000
Building Program	$ 6,487,000	$ 12,647,000	$ 10,755,012	$ 8,194,000	$ 8,096,500	$ 3,741,000	$ 1,416,500	$ 1,790,148	$ 2,487,928	$ 987,928	$ 56,603,016	$ 7,607,000	$ 48,996,016
Car Park Program	$ 115,000	$ 1,647,500	$ 1,014,000	$ 102,419	$ 1,454,000	$ 348,586	$ 572,409	$ 404,501	$ 366,030	$ 366,030	$ 6,390,475	$ 50,000	$ 6,340,475
Coastal & Marine Infrastructure Program	$ 4,810,000	$ 8,399,742	$ 1,833,227	$ 1,739,403	$ 5,499,372	$ 1,720,608	$ 1,185,000	$ 1,936,789	$ 200,000	$ 200,000	$ 27,524,141	$ 12,993,834	$ 14,530,307
Community Sport & Recreation Facility Fund Program	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 1,500,000	$ -	$ 1,500,000
Drainage Program	$ 485,000	$ 655,092	$ 809,515	$ 812,109	$ 685,268	$ 901,378	$ 901,378	$ 901,378	$ 901,378	$ 901,378	$ 7,953,874	$ -	$ 7,953,874
New Assets Program	$ 6,022,965	$ 22,568,908	$ 24,991,824	$ 8,755,500	$ 3,050,000	$ 3,650,000	$ 4,300,000	$ 4,550,000	$ 3,050,000	$ 3,050,000	$ 83,989,197	$ 45,078,516	$ 38,910,681
Parks Program	$ 5,803,056	$ 3,134,709	$ 4,397,019	$ 5,474,944	$ 3,189,804	$ 3,541,415	$ 2,525,427	$ 3,088,433	$ 1,751,814	$ 1,751,814	$ 34,658,435	$ 1,340,000	$ 33,318,435
Paths Program	$ 430,935	$ 287,528	$ 351,840	$ 315,872	$ 334,552	$ 282,604	$ 306,516	$ 318,676	$ 468,556	$ 468,556	$ 3,565,635	$ -	$ 3,565,635
Roads Program	$ 8,545,465	$ 8,674,500	$ 8,902,880	$ 8,570,550	$ 7,455,805	$ 8,671,265	$ 8,634,930	$ 8,299,405	$ 9,168,350	$ 9,168,350	$ 86,091,500	$ 36,196,150	$ 49,895,350
Street Lighting & Furniture Program	$ 719,500	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 6,119,500	$ 20,000	$ 6,099,500
Traffic Management Program	$ 2,779,783	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 9,529,783	$ 1,974,396	$ 7,555,387
Plant & Equipment	$ 3,119,734	$ 3,120,614	$ 3,132,894	$ 3,133,100	$ 3,123,013	$ 3,140,199	$ 3,140,199	$ 3,140,199	$ 3,140,199	$ 3,140,199	$ 31,330,350	$ -	$ 31,330,350
Grand Total	**$ 39,868,439**	**$ 62,885,593**	**$ 57,688,211**	**$ 38,597,897**	**$ 34,388,314**	**$ 27,497,055**	**$ 24,482,359**	**$ 25,929,529**	**$ 23,034,255**	**$ 21,534,255**	**$ 355,905,907**	**$ 105,426,896**	**$ 250,479,011**

Projects per Program	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	Grand Total Costs	Grand Total Grants	CoM Funding
Bridges Program	**$ 400,000**	**$ 250,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 650,000**	**$ 167,000**	**$ 483,000**
BRG - 2025-26 Level Three Inspections	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 150,000	$ -	$ 150,000
BRG Fathom Turn Footbridge Maintenance	$ 250,000	$ 250,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 500,000	$ 167,000	$ 333,000
Building Program	**$ 6,487,000**	**$ 12,647,000**	**$ 10,755,012**	**$ 8,194,000**	**$ 8,096,500**	**$ 3,741,000**	**$ 1,416,500**	**$ 1,790,148**	**$ 2,487,928**	**$ 987,928**	**$ 56,603,016**	**$ 7,607,000**	**$ 48,996,016**
Administration Centre Refurbishment	$ -	$ -	$ 225,500	$ 4,200,000	$ 4,425,500	$ -	$ -	$ -	$ -	$ -	$ 8,851,000	$ -	$ 8,851,000
BLD - 25-26 - Site Main Switchboard	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,000	$ -	$ 50,000
BLD - Antenna Mast Removal	$ 37,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 37,000	$ -	$ 37,000
BLD - CASM workshop upgrade	$ 50,000	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 200,000	$ -	$ 200,000
BLD - Community Shed (Dower St)	$ 150,000	$ 2,500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,650,000	$ 2,500,000	$ 150,000
BLD - Coodanup Comm Centre Roof Repairs	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,000	$ -	$ 30,000
BLD - Madora Bay South Ablution	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000	$ -	$ 25,000
BLD - Mandurah Bowl Club Floorcovering	$ 80,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 80,000	$ -	$ 80,000
BLD - Mandurah Family & CC Roof Cover	$ 35,000	$ 110,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 145,000	$ -	$ 145,000
BLD - Mandurah Museum Roof Replacement	$ 20,000	$ 109,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 129,000	$ -	$ 129,000
BLD - MARC Café/Squash Thoroughfare	$ 20,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,000	$ -	$ 20,000
BLD - MARC Indoor Door & Reception Imp	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 100,000
BLD - MARC Indoor Pirate Playground	$ 25,000	$ 550,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 575,000	$ -	$ 575,000
BLD - MARC Squash Court Glass Walls	$ 90,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 90,000	$ 30,000	$ 60,000
BLD - Meadow Springs Sport Fac Ext Paint	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 150,000	$ -	$ 150,000
BLD - Port Bouvard SLC HVAC	$ 35,000	$ 300,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 335,000	$ -	$ 335,000
BLD - Renew - Falcon Bay Ablution Roof	$ 70,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 70,000	$ -	$ 70,000
BLD - Renewal - MPAC HVAC	$ 4,600,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,600,000	$ -	$ 4,600,000
BLD - South Dist BF Ops Demolition	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,000	$ -	$ 35,000
BLD - South Mand Football Cl Sewer Conv	$ 70,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 70,000	$ -	$ 70,000
BLD - South Mand Tennis Club Roof Repl	$ 40,000	$ 145,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 185,000	$ -	$ 185,000
BLD - Southern Estuary Hall Demolition	$ 110,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 110,000	$ -	$ 110,000
BLD - Sth Mand FC Stormwater	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,000	$ -	$ 30,000
LTFP Program - Building	$ -	$ 2,683,000	$ 4,429,512	$ 3,894,000	$ 3,571,000	$ 3,641,000	$ 1,316,500	$ 1,690,148	$ 2,387,928	$ 887,928	$ 24,501,016	$ 5,077,000	$ 19,424,016
Minor Emergent City Maintenance Capital Renewals	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 1,000,000	$ -	$ 1,000,000
New - HHRC Basketball Backboard Winches	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,000	$ -	$ 35,000
Operations Centre	$ 500,000	$ 6,000,000	$ 6,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,500,000	$ -	$ 12,500,000
Car Park Program	**$ 115,000**	**$ 1,647,500**	**$ 1,014,000**	**$ 102,419**	**$ 1,454,000**	**$ 348,586**	**$ 572,409**	**$ 404,501**	**$ 366,030**	**$ 366,030**	**$ 6,390,475**	**$ 50,000**	**$ 6,340,475**
CPK - City Centre Parking Plan Delivery	$ 105,000	$ 30,000	$ 14,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 149,000	$ 50,000	$ 99,000
CPK Doddies Beach Carpark Renewal	$ 5,000	$ 175,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 180,000	$ -	$ 180,000
CPK Merlin St Carpark Renewal	$ 5,000	$ 442,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 447,500	$ -	$ 447,500
CPK Mewburn & George Robinson Upgrades	$ -	$ 1,000,000	$ 1,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,000,000	$ -	$ 2,000,000
LTFP Program - Car Park	$ -	$ -	$ -	$ 102,419	$ 1,454,000	$ 348,586	$ 572,409	$ 404,501	$ 366,030	$ 366,030	$ 3,613,975	$ -	$ 3,613,975
Coastal & Marine Infrastructure Program	**$ 4,810,000**	**$ 8,399,742**	**$ 1,833,227**	**$ 1,739,403**	**$ 5,499,372**	**$ 1,720,608**	**$ 1,185,000**	**$ 1,936,789**	**$ 200,000**	**$ 200,000**	**$ 27,524,141**	**$ 12,993,834**	**$ 14,530,307**
C&M - 25-26 Birchley Rd Boat Ramp Upgr	$ 905,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 905,000	$ 678,750	$ 226,250
C&M - 25-26 Breakwater Pde Entry Seawall	$ 70,000	$ 1,070,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,140,000	$ 357,000	$ 783,000
C&M - 25-26 Doddis Beach Protection	$ 150,000	$ 2,638,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,788,000	$ 2,713,000	$ 75,000
C&M - 25-26 Memorial Park Seawall	$ 250,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 250,000	$ -	$ 250,000
C&M - 25-26 Town Beach Seawall Renewal	$ 1,100,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,100,000	$ 1,100,000	$ -
C&M - 25-26 Waterside Foreshore seawall	$ 315,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 315,000	$ -	$ 315,000
C&M - Darwin Tce Public Jetty Renew	$ 20,000	$ 180,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 200,000	$ -	$ 200,000
C&M - Mandjar Bay Concept Planning	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 100,000
C&M Mandurah Quay Seawall Repair	$ 1,650,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,650,000	$ 1,650,000	$ -
Eastern Foreshore Boardwalk Renewal	$ 250,000	$ 2,500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,750,000	$ -	$ 2,750,000
LTFP Program - Coastal & Marine Infrastr	$ -	$ 2,011,742	$ 1,833,227	$ 1,739,403	$ 5,499,372	$ 1,720,608	$ 1,185,000	$ 1,936,789	$ 200,000	$ 200,000	$ 16,326,141	$ 6,495,084	$ 9,831,057
Community Sport & Recreation Facility Fund Program	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 1,500,000**	**$ -**	**$ 1,500,000**
LTFP Program - Comm Sport & Rec Fac Fund	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 1,500,000	$ -	$ 1,500,000
Drainage Program	**$ 485,000**	**$ 655,092**	**$ 809,515**	**$ 812,109**	**$ 685,268**	**$ 901,378**	**$ 901,378**	**$ 901,378**	**$ 901,378**	**$ 901,378**	**$ 7,953,874**	**$ -**	**$ 7,953,874**
DRG - Cygni Street	$ 145,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 145,000	$ -	$ 145,000
DRG - Durham Crescent	$ 60,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 60,000	$ -	$ 60,000
DRG - Lyelta Street	$ 5,000	$ -	$ 95,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 100,000
DRG - Mandurah Gardens Est	$ 5,000	$ 120,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 125,000	$ -	$ 125,000
DRG - Mississippi Drive	$ 5,000	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 205,000	$ -	$ 205,000
DRG - Parkview Street	$ 165,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 165,000	$ -	$ 165,000
DRG - Portmarnock Circle	$ 5,000	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 155,000	$ -	$ 155,000
DRG - Scenic Dr and Philante St Int	$ 5,000	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 155,000	$ -	$ 155,000
DRG - Tara Street	$ 90,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 90,000	$ -	$ 90,000
LTFP Program - Drainage	$ -	$ 35,092	$ 714,515	$ 812,109	$ 685,268	$ 901,378	$ 901,378	$ 901,378	$ 901,378	$ 901,378	$ 6,753,874	$ -	$ 6,753,874

Projects per Program	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	Grand Total Costs	Grand Total Grants	CoM Funding
New Assets Program	**$ 6,022,965**	**$ 22,568,908**	**$ 24,991,824**	**$ 8,755,500**	**$ 3,050,000**	**$ 3,650,000**	**$ 4,300,000**	**$ 4,550,000**	**$ 3,050,000**	**$ 3,050,000**	**$ 83,989,197**	**$ 45,078,516**	**$ 38,910,681**
Caddadup Recycled Water Supply (MAR)	$ 165,000	$ 320,000	$ 140,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 625,000	$ 173,766	$ 451,234
LTFP Program - Christmas Decorations	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 2,000,000	$ -	$ 2,000,000
LTFP Program - New Assets	$ -	$ 250,000	$ 340,250	$ 2,290,250	$ 2,850,000	$ 3,450,000	$ 4,100,000	$ 4,350,000	$ 2,850,000	$ 2,850,000	$ 23,330,500	$ 6,760,000	$ 16,570,500
NEW - Bortolo Goal Compound	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,000	$ -	$ 15,000
NEW - Eastern Foreshore North Ablution	$ -	$ 25,000	$ 450,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 475,000	$ -	$ 475,000
New - Falcon Coastal Shared Path	$ 597,000	$ 4,626,000	$ 4,473,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,696,000	$ 4,848,000	$ 4,848,000
New - Falcon Men's Shed	$ 646,750	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 646,750	$ 446,750	$ 200,000
NEW - Falcon Pavilion New Bin Storage	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,000	$ -	$ 35,000
NEW - Lakelands Youth Park	$ 50,000	$ 2,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,050,000	$ 1,350,000	$ 700,000
New - MARC Sports Court Upgrade	$ 298,375	$ 596,750	$ 6,212,750	$ 6,265,250	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,373,125	$ 10,000,000	$ 3,373,125
NEW - Peelwood Reserve Oval Storage	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 200,000	$ 200,000	$ -
NEW - Playground, Kardan Loop, Falcon	$ 10,000	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 160,000	$ -	$ 160,000
New - Regional Multi-use Facility	$ 2,477,840	$ 9,985,158	$ 11,425,824	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,888,822	$ 20,000,000	$ 3,888,822
NEW - Town Beach SLS Storage	$ 30,000	$ 270,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 300,000	$ 200,000	$ 100,000
New - Western Foreshore Leisure Precinct	$ 448,000	$ 4,146,000	$ 1,750,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,344,000	$ 250,000	$ 6,094,000
New - Yalgorup National Park	$ 850,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 850,000	$ 850,000	$ -
Parks Program	**$ 5,803,056**	**$ 3,134,709**	**$ 4,397,019**	**$ 5,474,944**	**$ 3,189,804**	**$ 3,541,415**	**$ 2,525,427**	**$ 3,088,433**	**$ 1,751,814**	**$ 1,751,814**	**$ 34,658,435**	**$ 1,340,000**	**$ 33,318,435**
25-26 Res Elect Meter Replacement	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,000	$ -	$ 50,000
Basketball half court noise mitigation	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,000	$ -	$ 35,000
LTFP Program - Parks	$ -	$ 2,031,209	$ 4,397,019	$ 5,474,944	$ 3,189,804	$ 3,541,415	$ 2,525,427	$ 3,088,433	$ 1,751,814	$ 1,751,814	$ 27,751,879	$ 600,000	$ 27,151,879
PRK - Coodanup Foreshore Upgrade	$ 650,000	$ 650,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,300,000	$ -	$ 1,300,000
PRK - Hockey Turf Surface Renewal	$ 870,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 870,000	$ 340,000	$ 530,000
PRK - Roy Tuckey Reserve Pump Track Rnwl	$ 170,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 170,000	$ -	$ 170,000
PRK 25-26 Bin Enclosures Upgrade	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,000	$ -	$ 50,000
PRK 25-26 Boardwlk and Beach Access Rnwl	$ 691,180	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 691,180	$ -	$ 691,180
PRK 25-26 Fencing Renewal	$ 239,980	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 239,980	$ -	$ 239,980
PRK 25-26 Hermitage Bore Renewal	$ 90,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 90,000	$ -	$ 90,000
PRK 25-26 Merlin Reserve Renewal	$ 400,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 400,000	$ 400,000	$ -
PRK 25-26 Park Fixtures New	$ 120,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 120,000	$ -	$ 120,000
PRK 25-26 Parks Furniture Renewal	$ 148,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 148,000	$ -	$ 148,000
PRK 25-26 Playground Renewal	$ 282,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 282,500	$ -	$ 282,500
PRK 25-26 Retaining Wall	$ 19,996	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,996	$ -	$ 19,996
PRK 25-26 Shade Sails New	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 100,000
PRK 25-26 Signage New	$ 40,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 40,000	$ -	$ 40,000
PRK 25-26 Signage Renewal	$ 60,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 60,000	$ -	$ 60,000
PRK 25-26 Softfall Rubber Renewal	$ 64,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 64,400	$ -	$ 64,400
PRK Bardoc Reserve Upgrade	$ 10,000	$ 400,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 410,000	$ -	$ 410,000
PRK Dawesville Channel SE Fshore Upgrade	$ 800,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 800,000	$ -	$ 800,000
PRK Mississippi Res Playground Upgrade	$ 400,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 400,000	$ -	$ 400,000
PRK Norwich Reserve Upgrade	$ 470,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 470,000	$ -	$ 470,000
PRK Sports Court Renewal	$ 42,000	$ 53,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 95,500	$ -	$ 95,500
Paths Program	**$ 430,935**	**$ 287,528**	**$ 351,840**	**$ 315,872**	**$ 334,552**	**$ 282,604**	**$ 306,516**	**$ 318,676**	**$ 468,556**	**$ 468,556**	**$ 3,565,635**	**$ -**	**$ 3,565,635**
LTFP Program - Paths	$ -	$ 164,028	$ 351,840	$ 315,872	$ 334,552	$ 282,604	$ 306,516	$ 318,676	$ 468,556	$ 468,556	$ 3,011,200	$ -	$ 3,011,200
PTH - Realign - Lively Place	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,000	$ -	$ 35,000
PTH - Renew - Caddadup Reserve	$ 99,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 99,000	$ -	$ 99,000
PTH - Renew - Estuary Road	$ 15,000	$ 123,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 138,500	$ -	$ 138,500
PTH - Renew - Mandurah Road	$ 129,600	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 129,600	$ -	$ 129,600
PTH - Renewal - Old Coast Road	$ 14,167	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,167	$ -	$ 14,167
PTH - Renewal - Old Coast Road Bypass	$ 133,168	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 133,168	$ -	$ 133,168
PTH - Tanjinn Street, Dawesvillle PAW	$ 5,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,000	$ -	$ 5,000
Plant & Equipment	**$ 3,119,734**	**$ 3,120,614**	**$ 3,132,894**	**$ 3,133,100**	**$ 3,123,013**	**$ 3,140,199**	**$ 3,140,199**	**$ 3,140,199**	**$ 3,140,199**	**$ 3,140,199**	**$ 31,330,350**	**$ -**	**$ 31,330,350**
Furniture & Equipment	$ 51,214	$ 52,094	$ 64,374	$ 64,580	$ 54,493	$ 71,679	$ 71,679	$ 71,679	$ 71,679	$ 71,679	$ 645,150	$ -	$ 645,150
Plant & Machinery Renewal Program	$ 2,868,520	$ 2,868,520	$ 2,868,520	$ 2,868,520	$ 2,868,520	$ 2,868,520	$ 2,868,520	$ 2,868,520	$ 2,868,520	$ 2,868,520	$ 28,685,200	$ -	$ 28,685,200
Vehicle & Small Plant Program	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 2,000,000	$ -	$ 2,000,000

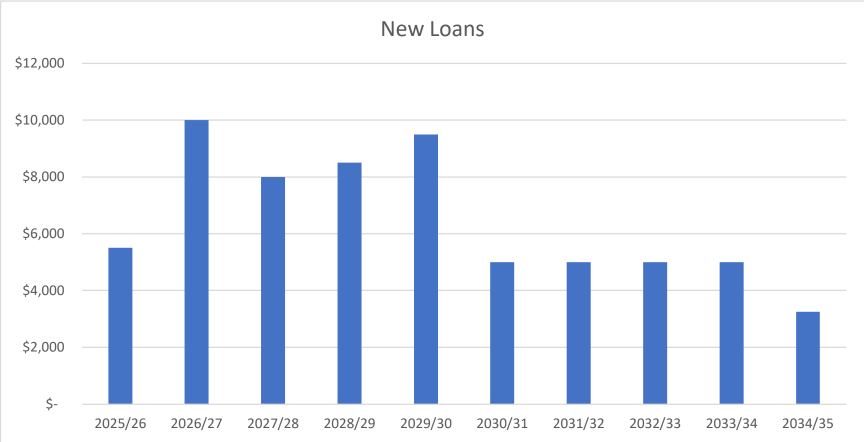
Projects per Program	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	Grand Total Costs	Grand Total Grants	CoM Funding
Roads Program	**$ 8,545,465**	**$ 8,674,500**	**$ 8,902,880**	**$ 8,570,550**	**$ 7,455,805**	**$ 8,671,265**	**$ 8,634,930**	**$ 8,299,405**	**$ 9,168,350**	**$ 9,168,350**	**$ 86,091,500**	**$ 36,196,150**	**$ 49,895,350**
LTFP Program - Roads	$ -	$ 3,783,275	$ 5,808,240	$ 7,770,550	$ 7,455,805	$ 8,671,265	$ 8,634,930	$ 8,299,405	$ 9,168,350	$ 9,168,350	$ 68,760,170	$ 28,116,535	$ 40,643,635
RDS - Oakleigh Drive	$ -	$ -	$ 10,000	$ 800,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 810,000	$ -	$ 810,000
RDS - Renew - Clarice St	$ 1,200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,200,000	$ 1,000,000	$ 200,000
RDS - Renew - Finistere Island Retreat	$ 5,000	$ 461,225	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 466,225	$ -	$ 466,225
RDS - Renew - Grafton Drive	$ 5,000	$ -	$ 1,284,640	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,289,640	$ -	$ 1,289,640
RDS - Renew - The Glen	$ 25,000	$ 1,380,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,405,000	$ -	$ 1,405,000
RDS - Renew - Tims Thicket Road	$ 571,563	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 571,563	$ 400,000	$ 171,563
RDS - Resurface - Waste Mgmt Centre	$ 92,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 92,500	$ -	$ 92,500
RDS - Resurface - Angalore Road	$ 251,320	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 251,320	$ -	$ 251,320
RDS - Resurface - Blossom Place	$ 90,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 90,000	$ -	$ 90,000
RDS - Resurface - Canterbury & Surrounds	$ 464,745	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 464,745	$ 400,000	$ 64,745
RDS - Resurface - Carnoustie Gardens	$ 194,480	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 194,480	$ -	$ 194,480
RDS - Resurface - Cuvier Place	$ 112,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 112,000	$ -	$ 112,000
RDS - Resurface - Elmore Way	$ 292,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 292,500	$ 200,000	$ 92,500
RDS - Resurface - Hestia Way	$ 172,172	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 172,172	$ -	$ 172,172
RDS - Resurface - Karinga & Surrounds	$ 632,905	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 632,905	$ 200,000	$ 432,905
RDS - Resurface - Kookaburra & Surrounds	$ 477,555	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 477,555	$ 279,615	$ 197,940
RDS - Resurface - La Grange & Augusta	$ 232,025	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 232,025	$ -	$ 232,025
RDS - Resurface - McLarty Road	$ 220,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 220,000	$ -	$ 220,000
RDS - Resurface - St Annes & Surrounds	$ 506,700	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 506,700	$ 400,000	$ 106,700
RDS - Upgrade - Tims Thicket Road	$ 1,200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,200,000	$ 800,000	$ 400,000
RDS Pinjarra Road - Rehab	$ 1,800,000	$ 3,050,000	$ 1,800,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,650,000	$ 4,400,000	$ 2,250,000
Street Lighting & Furniture Program	**$ 719,500**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 6,119,500**	**$ 20,000**	**$ 6,099,500**
LTFP Program - Street Lighting & Furn	$ -	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 5,400,000	$ -	$ 5,400,000
SLF - 25-26 Street Furniture New	$ 40,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 40,000	$ 20,000	$ 20,000
SLF - 25-26 Street Furniture Renewal	$ 44,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 44,500	$ -	$ 44,500
SLF - City Centre Lighting Audit	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,000	$ -	$ 35,000
SLF - Decorative Streetlighting Renewal	$ 600,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 600,000	$ -	$ 600,000
Traffic Management Program	**$ 2,779,783**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 9,529,783**	**$ 1,974,396**	**$ 7,555,387**
Lakes Road - Murdoch Drive Blackspot	$ 119,867	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 119,867	$ 98,666	$ 21,201
LTFP Program - Traffic Management	$ -	$ 494,652	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 6,494,652	$ -	$ 6,494,652
Lynda Street and Baroy Street Blackspot	$ 365,945	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 365,945	$ 256,367	$ 109,578
TMP - LATM - Glencoe Parade	$ 100,150	$ 255,348	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 355,498	$ 236,998	$ 118,500
TMP - Westview Parade, Wannanup	$ 37,510	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 37,510	$ -	$ 37,510
TMP - Arramall Trail	$ 20,631	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,631	$ -	$ 20,631
TMP - BS - Tuckey Street	$ 615,639	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 615,639	$ 410,426	$ 205,213
TMP - BS Pinjarra-Anstruther Rd Intersct	$ 571,582	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 571,582	$ 381,055	$ 190,527
TMP - Cossack Way	$ 35,088	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,088	$ -	$ 35,088
TMP - Dandaragan Drive	$ 53,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 53,000	$ -	$ 53,000
TMP - LATM - Oakmont Avenue	$ 271,826	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 271,826	$ 181,217	$ 90,609
Wanjeep Street Blackspot	$ 588,545	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 588,545	$ 409,667	$ 178,878
Grand Total	**$ 39,868,439**	**$ 62,885,593**	**$ 57,688,211**	**$ 38,597,897**	**$ 34,388,314**	**$ 27,497,055**	**$ 24,482,359**	**$ 25,929,529**	**$ 23,034,255**	**$ 21,534,255**	**$ 355,905,907**	**$ 105,426,896**	**$ 250,479,011**

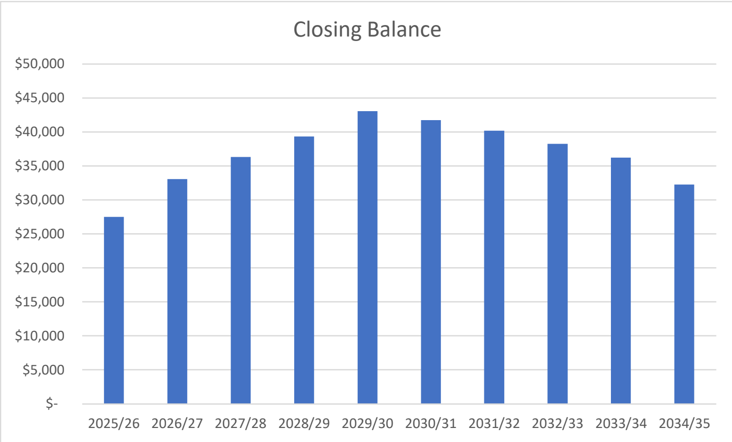
Attachment 4 - Assumptions

Inputs		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Perth CPI Forecast		2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Secondary Level Assumptions in the plan											
Salaries & Wages	Industrial Agreement Increases	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee Costs	Perth CPI Forecast	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Materials and Contracts	Perth CPI Forecast	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Insurance	Local Government Cost Index - Insurance	8.60%	6.00%	4.00%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Utilities	Combination Local Government Cost Index - Utilities and increases provided by suppliers	9.10%	3.00%	3.00%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Operating Grants, Subsidies & Contributions	Perth CPI Forecast	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Fees & Charges	Perth CPI Forecast	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rates	Rating Strategy - Weighted Average Model	4.08%	3.59%	3.22%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%

Attachment 5 - Borrowings

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Closing Balance	$ 27,500	$ 33,066	$ 36,307	$ 39,352	$ 43,060	$ 41,717	$ 40,162	$ 38,267	$ 36,239	$ 32,239
Percentage of Rates	27%	31%	32%	34%	36%	33%	31%	28%	26%	22%
Repayments (Existing Loans):										
Principal	$ 3,780	$ 3,618	$ 3,080	$ 3,044	$ 2,576	$ 2,208	$ 1,837	$ 1,569	$ 1,071	$ 634
Interest	$ 767	$ 746	$ 481	$ 364	$ 266	$ 186	$ 122	$ 73	$ 41	$ 19
Total repayments	**$ 4,546**	**$ 4,364**	**$ 3,561**	**$ 3,408**	**$ 2,842**	**$ 2,394**	**$ 1,958**	**$ 1,642**	**$ 1,111**	**$ 653**
New loans	**$ 5,500**	**$ 10,000**	**$ 8,000**	**$ 8,500**	**$ 9,500**	**$ 5,000**	**$ 5,000**	**$ 5,000**	**$ 5,000**	**$ 3,250**
New loan repayments										
Principal	$ 345	$ 816	$ 1,679	$ 2,412	$ 3,215	$ 4,135	$ 4,718	$ 5,326	$ 5,958	$ 6,615
Interest	$ 160	$ 358	$ 709	$ 949	$ 1,178	$ 1,412	$ 1,436	$ 1,437	$ 1,412	$ 1,362
Total new repayments	$ 505	$ 1,174	$ 2,388	$ 3,360	$ 4,393	$ 5,547	$ 6,155	$ 6,762	$ 7,370	$ 7,977





Attachment 6 - Reserves

Summary	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Opening Balance	$ 59,663,139	$ 54,647,738	$ 41,633,879	$ 35,239,000	$ 30,701,243	$ 31,751,807	$ 33,776,218	$ 35,843,993	$ 37,956,198	$ 40,113,929
Amount set aside / Transfer to Reserve	$ 1,834,599	$ 1,875,590	$ 1,910,758	$ 1,946,872	$ 1,983,006	$ 2,024,411	$ 2,067,775	$ 2,112,205	$ 2,157,731	$ 2,204,381
Amount used / Transfer from Reserve	$ 6,850,000	$ 14,889,450	$ 8,305,637	$ 6,484,630	$ 932,442	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 54,647,738	$ 41,633,879	$ 35,239,000	$ 30,701,243	$ 31,751,807	$ 33,776,218	$ 35,843,993	$ 37,956,198	$ 40,113,929	$ 42,318,310

Building										
Opening Balance	$ 8,512,891	$ 8,763,447	$ 8,372,316	$ 2,078,342	$ 2,201,959	$ 2,362,069	$ 2,530,403	$ 2,700,988	$ 2,873,999	$ 3,049,599
Amount set aside / Transfer to Reserve	$ 250,556	$ 293,045	$ 395,591	$ 123,617	$ 160,110	$ 168,334	$ 170,585	$ 173,010	$ 175,600	$ 178,345
Amount used / Transfer from Reserve	$ -	$ 684,176	$ 6,689,565	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 8,763,447	$ 8,372,316	$ 2,078,342	$ 2,201,959	$ 2,362,069	$ 2,530,403	$ 2,700,988	$ 2,873,999	$ 3,049,599	$ 3,227,943

Asset Management										
Opening Balance	$ 26,792,512	$ 22,281,084	$ 9,642,877	$ 8,512,430	$ 2,534,107	$ 1,785,927	$ 1,913,202	$ 2,042,179	$ 2,172,990	$ 2,305,758
Amount set aside / Transfer to Reserve	$ 788,572	$ 745,067	$ 455,625	$ 506,307	$ 184,262	$ 127,275	$ 128,977	$ 130,811	$ 132,769	$ 134,844
Amount used / Transfer from Reserve	$ 5,300,000	$ 13,383,274	$ 1,586,072	$ 6,484,630	$ 932,442	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 22,281,084	$ 9,642,877	$ 8,512,430	$ 2,534,107	$ 1,785,927	$ 1,913,202	$ 2,042,179	$ 2,172,990	$ 2,305,758	$ 2,440,602

Cultural Centre										
Opening Balance	$ 2,480	$ 2,553	$ 2,638	$ 2,763	$ 2,927	$ 3,140	$ 3,364	$ 3,591	$ 3,821	$ 4,054
Amount set aside / Transfer to Reserve	$ 73	$ 85	$ 125	$ 164	$ 213	$ 224	$ 227	$ 230	$ 233	$ 237
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 2,553	$ 2,638	$ 2,763	$ 2,927	$ 3,140	$ 3,364	$ 3,591	$ 3,821	$ 4,054	$ 4,291

Sustainability										
Opening Balance	$ 282,900	$ 233,726	$ 169,542	$ 177,553	$ 188,114	$ 201,792	$ 216,173	$ 230,746	$ 245,526	$ 260,528
Amount set aside / Transfer to Reserve	$ 8,326	$ 7,816	$ 8,011	$ 10,561	$ 13,678	$ 14,381	$ 14,573	$ 14,780	$ 15,002	$ 15,236
Amount used / Transfer from Reserve	$ 57,500	$ 72,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 233,726	$ 169,542	$ 177,553	$ 188,114	$ 201,792	$ 216,173	$ 230,746	$ 245,526	$ 260,528	$ 275,764

Waste Facilities Reserve Fund										
Opening Balance	$ 4,907,105	$ 3,659,034	$ 3,031,390	$ 3,144,622	$ 3,331,660	$ 3,573,914	$ 3,828,611	$ 4,086,714	$ 4,348,486	$ 4,614,177
Amount set aside / Transfer to Reserve	$ 144,429	$ 122,356	$ 143,233	$ 187,038	$ 242,254	$ 254,697	$ 258,102	$ 261,772	$ 265,690	$ 269,843
Amount used / Transfer from Reserve	$ 1,392,500	$ 750,000	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 3,659,034	$ 3,031,390	$ 3,144,622	$ 3,331,660	$ 3,573,914	$ 3,828,611	$ 4,086,714	$ 4,348,486	$ 4,614,177	$ 4,884,020

Interest Free Loans	Yr 1 2025	Yr 2 2026	Yr 3 2027	Yr 4 2028	Yr 5 2029	Yr 6 2030	Yr 7 2031	Yr 8 2032	Yr 9 2033	Yr 10 2034
Opening Balance	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704
Amount set aside / Transfer to Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704	$ 191,704

CLAG

Opening Balance	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974
Amount set aside / Transfer to Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974	$ 20,974

Mandurah Ocean Marina

Opening Balance	$ 186,087	$ 191,564	$ 197,970	$ 207,324	$ 219,655	$ 235,627	$ 252,419	$ 269,436	$ 286,694	$ 304,211
Amount set aside / Transfer to Reserve	$ 5,477	$ 6,406	$ 9,354	$ 12,331	$ 15,972	$ 16,792	$ 17,017	$ 17,259	$ 17,517	$ 17,791
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 191,564	$ 197,970	$ 207,324	$ 219,655	$ 235,627	$ 252,419	$ 269,436	$ 286,694	$ 304,211	$ 322,002

Waterways

Opening Balance	$ 941,563	$ 869,276	$ 898,344	$ 940,790	$ 996,747	$ 1,069,223	$ 1,145,422	$ 1,222,640	$ 1,300,955	$ 1,380,443
Amount set aside / Transfer to Reserve	$ 27,713	$ 29,068	$ 42,447	$ 55,957	$ 72,476	$ 76,199	$ 77,218	$ 78,316	$ 79,488	$ 80,730
Amount used / Transfer from Reserve	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 869,276	$ 898,344	$ 940,790	$ 996,747	$ 1,069,223	$ 1,145,422	$ 1,222,640	$ 1,300,955	$ 1,380,443	$ 1,461,173

Port Mandurah Canals Stage 2 Maintenance

Opening Balance	$ 97,344	$ 100,209	$ 103,560	$ 108,453	$ 114,904	$ 123,259	$ 132,043	$ 140,945	$ 149,973	$ 159,136
Amount set aside / Transfer to Reserve	$ 2,865	$ 3,351	$ 4,893	$ 6,451	$ 8,355	$ 8,784	$ 8,902	$ 9,028	$ 9,163	$ 9,306
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 100,209	$ 103,560	$ 108,453	$ 114,904	$ 123,259	$ 132,043	$ 140,945	$ 149,973	$ 159,136	$ 168,442

Mariners Cove Canals

Opening Balance	$ 88,693	$ 91,303	$ 94,357	$ 98,815	$ 104,692	$ 112,305	$ 120,308	$ 128,419	$ 136,645	$ 144,993
Amount set aside / Transfer to Reserve	$ 2,610	$ 3,053	$ 4,458	$ 5,877	$ 7,612	$ 8,003	$ 8,110	$ 8,226	$ 8,349	$ 8,479
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 91,303	$ 94,357	$ 98,815	$ 104,692	$ 112,305	$ 120,308	$ 128,419	$ 136,645	$ 144,993	$ 153,473

Port Bouvard Canal Maintenance Contributions	Yr 1 2025	Yr 2 2026	Yr 3 2027	Yr 4 2028	Yr 5 2029	Yr 6 2030	Yr 7 2031	Yr 8 2032	Yr 9 2033	Yr 10 2034
Opening Balance	$ 279,167	$ 287,384	$ 296,994	$ 311,026	$ 329,526	$ 353,487	$ 378,678	$ 404,206	$ 430,097	$ 456,376
Amount set aside / Transfer to Reserve	$ 8,217	$ 9,610	$ 14,033	$ 18,499	$ 23,961	$ 25,191	$ 25,528	$ 25,891	$ 26,279	$ 26,690
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 287,384	$ 296,994	$ 311,026	$ 329,526	$ 353,487	$ 378,678	$ 404,206	$ 430,097	$ 456,376	$ 483,066

Cash in Lieu POS Contributions

Opening Balance	$ 503,320	$ 518,134	$ 535,460	$ 560,761	$ 594,114	$ 637,313	$ 682,732	$ 728,758	$ 775,438	$ 822,817
Amount set aside / Transfer to Reserve	$ 14,814	$ 17,326	$ 25,300	$ 33,353	$ 43,200	$ 45,419	$ 46,026	$ 46,680	$ 47,379	$ 48,119
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 518,134	$ 535,460	$ 560,761	$ 594,114	$ 637,313	$ 682,732	$ 728,758	$ 775,438	$ 822,817	$ 870,936

Unspent Grants & Contributions

Opening Balance	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138
Amount set aside / Transfer to Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138	$ 3,640,138

Leave Reserve

Opening Balance	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265
Amount set aside / Transfer to Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265	$ 1,557,265

Coastal Storm Contingency

Opening Balance	$ 270,242	$ 278,196	$ 287,499	$ 301,083	$ 318,991	$ 342,186	$ 366,572	$ 391,284	$ 416,347	$ 441,786
Amount set aside / Transfer to Reserve	$ 7,954	$ 9,303	$ 13,584	$ 17,908	$ 23,195	$ 24,386	$ 24,712	$ 25,063	$ 25,439	$ 25,836
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 278,196	$ 287,499	$ 301,083	$ 318,991	$ 342,186	$ 366,572	$ 391,284	$ 416,347	$ 441,786	$ 467,622

Digital Futures

Opening Balance	$ 59,455	$ 61,205	$ 63,252	$ 66,240	$ 70,180	$ 75,283	$ 80,648	$ 86,085	$ 91,599	$ 97,196
Amount set aside / Transfer to Reserve	$ 1,750	$ 2,047	$ 2,989	$ 3,940	$ 5,103	$ 5,365	$ 5,437	$ 5,514	$ 5,597	$ 5,684
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 61,205	$ 63,252	$ 66,240	$ 70,180	$ 75,283	$ 80,648	$ 86,085	$ 91,599	$ 97,196	$ 102,880

Decked Carparking	Yr 1 2025	Yr 2 2026	Yr 3 2027	Yr 4 2028	Yr 5 2029	Yr 6 2030	Yr 7 2031	Yr 8 2032	Yr 9 2033	Yr 10 2034
Opening Balance	$ 1,054,465	$ 1,085,501	$ 1,121,799	$ 1,174,804	$ 1,244,680	$ 1,335,184	$ 1,430,336	$ 1,526,761	$ 1,624,557	$ 1,723,817
Amount set aside / Transfer to Reserve	$ 31,036	$ 36,299	$ 53,005	$ 69,876	$ 90,504	$ 95,153	$ 96,425	$ 97,796	$ 99,260	$ 100,811
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 1,085,501	$ 1,121,799	$ 1,174,804	$ 1,244,680	$ 1,335,184	$ 1,430,336	$ 1,526,761	$ 1,624,557	$ 1,723,817	$ 1,824,628

Specified Area Rates - Waterside Canals

Opening Balance	$ 109,790	$ 113,021	$ 116,801	$ 122,320	$ 129,595	$ 139,018	$ 148,925	$ 158,965	$ 169,148	$ 179,482
Amount set aside / Transfer to Reserve	$ 3,231	$ 3,779	$ 5,519	$ 7,275	$ 9,423	$ 9,907	$ 10,040	$ 10,182	$ 10,335	$ 10,496
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 113,021	$ 116,801	$ 122,320	$ 129,595	$ 139,018	$ 148,925	$ 158,965	$ 169,148	$ 179,482	$ 189,979

Specified Area Rates - Port Mandurah Canals

Opening Balance	$ 208,701	$ 279,744	$ 353,998	$ 435,624	$ 526,435	$ 629,613	$ 739,383	$ 854,128	$ 973,739	$ 1,098,134
Amount set aside / Transfer to Reserve	$ 71,043	$ 74,254	$ 81,626	$ 90,810	$ 103,179	$ 109,770	$ 114,745	$ 119,611	$ 124,395	$ 129,120
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 279,744	$ 353,998	$ 435,624	$ 526,435	$ 629,613	$ 739,383	$ 854,128	$ 973,739	$ 1,098,134	$ 1,227,254

Specified Area Rates - Mandurah Quay Canals

Opening Balance	$ 298,493	$ 333,944	$ 371,777	$ 416,010	$ 467,419	$ 528,073	$ 592,372	$ 658,972	$ 727,849	$ 798,986
Amount set aside / Transfer to Reserve	$ 35,451	$ 37,833	$ 44,232	$ 51,410	$ 60,653	$ 64,299	$ 66,600	$ 68,876	$ 71,137	$ 73,392
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 333,944	$ 371,777	$ 416,010	$ 467,419	$ 528,073	$ 592,372	$ 658,972	$ 727,849	$ 798,986	$ 872,378

Specified Area Rates - Mandurah Ocean Marina

Opening Balance	$ 1,041,606	$ 1,192,263	$ 1,352,132	$ 1,536,020	$ 1,747,380	$ 1,994,437	$ 2,256,572	$ 2,528,696	$ 2,810,671	$ 3,102,401
Amount set aside / Transfer to Reserve	$ 150,657	$ 159,869	$ 183,888	$ 211,360	$ 247,057	$ 262,135	$ 272,125	$ 281,974	$ 291,731	$ 301,433
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 1,192,263	$ 1,352,132	$ 1,536,020	$ 1,747,380	$ 1,994,437	$ 2,256,572	$ 2,528,696	$ 2,810,671	$ 3,102,401	$ 3,403,834

Specified Area Rate - Port Bouvard Canals

Opening Balance	$ 160,724	$ 165,455	$ 170,987	$ 179,066	$ 189,717	$ 203,512	$ 218,015	$ 232,712	$ 247,619	$ 262,748
Amount set aside / Transfer to Reserve	$ 4,731	$ 5,533	$ 8,079	$ 10,651	$ 13,795	$ 14,503	$ 14,697	$ 14,906	$ 15,129	$ 15,366
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 165,455	$ 170,987	$ 179,066	$ 189,717	$ 203,512	$ 218,015	$ 232,712	$ 247,619	$ 262,748	$ 278,114

Specified Area Rate - Mariners Cove	Yr 1 2025	Yr 2 2026	Yr 3 2027	Yr 4 2028	Yr 5 2029	Yr 6 2030	Yr 7 2031	Yr 8 2032	Yr 9 2033	Yr 10 2034
Opening Balance	$ 5,715	$ 5,883	$ 6,080	$ 6,367	$ 6,746	$ 7,236	$ 7,752	$ 8,275	$ 8,805	$ 9,343
Amount set aside / Transfer to Reserve	$ 168	$ 197	$ 287	$ 379	$ 491	$ 516	$ 523	$ 530	$ 538	$ 546
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 5,883	$ 6,080	$ 6,367	$ 6,746	$ 7,236	$ 7,752	$ 8,275	$ 8,805	$ 9,343	$ 9,889

Specified Area Rate - Eastport										
Opening Balance	$ 55,347	$ 56,976	$ 58,881	$ 61,663	$ 65,331	$ 70,081	$ 75,076	$ 80,137	$ 85,270	$ 90,480
Amount set aside / Transfer to Reserve	$ 1,629	$ 1,905	$ 2,782	$ 3,668	$ 4,750	$ 4,994	$ 5,061	$ 5,133	$ 5,210	$ 5,291
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 56,976	$ 58,881	$ 61,663	$ 65,331	$ 70,081	$ 75,076	$ 80,137	$ 85,270	$ 90,480	$ 95,771

Sportsclubs Maintenance Levy										
Opening Balance	$ 322,802	$ 332,303	$ 343,415	$ 359,641	$ 381,032	$ 408,738	$ 437,867	$ 467,385	$ 497,324	$ 527,710
Amount set aside / Transfer to Reserve	$ 9,501	$ 11,112	$ 16,226	$ 21,391	$ 27,706	$ 29,129	$ 29,518	$ 29,938	$ 30,386	$ 30,861
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 332,303	$ 343,415	$ 359,641	$ 381,032	$ 408,738	$ 437,867	$ 467,385	$ 497,324	$ 527,710	$ 558,571

City Centre Land Acquisition Reserve										
Opening Balance	$ 1,074,940	$ 1,106,578	$ 1,143,582	$ 1,197,616	$ 1,268,848	$ 1,361,110	$ 1,458,110	$ 1,556,407	$ 1,656,102	$ 1,757,289
Amount set aside / Transfer to Reserve	$ 31,638	$ 37,003	$ 54,034	$ 71,232	$ 92,261	$ 97,000	$ 98,297	$ 99,695	$ 101,187	$ 102,769
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 1,106,578	$ 1,143,582	$ 1,197,616	$ 1,268,848	$ 1,361,110	$ 1,458,110	$ 1,556,407	$ 1,656,102	$ 1,757,289	$ 1,860,058

Lakelands Community Infrastructure Reserve										
Opening Balance	$ 1,152,215	$ 1,186,128	$ 1,225,791	$ 1,283,710	$ 1,360,063	$ 1,458,957	$ 1,562,930	$ 1,668,294	$ 1,775,155	$ 1,883,616
Amount set aside / Transfer to Reserve	$ 33,913	$ 39,663	$ 57,918	$ 76,353	$ 98,894	$ 103,973	$ 105,364	$ 106,862	$ 108,461	$ 110,157
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 1,186,128	$ 1,225,791	$ 1,283,710	$ 1,360,063	$ 1,458,957	$ 1,562,930	$ 1,668,294	$ 1,775,155	$ 1,883,616	$ 1,993,773

Plant Reserve										
Opening Balance	$ 487,561	$ 501,911	$ 518,695	$ 543,203	$ 575,512	$ 617,359	$ 661,356	$ 705,940	$ 751,159	$ 797,054
Amount set aside / Transfer to Reserve	$ 14,350	$ 16,784	$ 24,508	$ 32,309	$ 41,847	$ 43,996	$ 44,585	$ 45,219	$ 45,895	$ 46,613
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 501,911	$ 518,695	$ 543,203	$ 575,512	$ 617,359	$ 661,356	$ 705,940	$ 751,159	$ 797,054	$ 843,667

Workers Compensation	Yr 1 2025	Yr 2 2026	Yr 3 2027	Yr 4 2028	Yr 5 2029	Yr 6 2030	Yr 7 2031	Yr 8 2032	Yr 9 2033	Yr 10 2034
Opening Balance	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334
Amount set aside / Transfer to Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334	$ 567,334

Restricted Cash Reserve

Opening Balance	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408
Amount set aside / Transfer to Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408	$ 1,599,408

Bushland and Environmental Protection Reserve

Opening Balance	$ 1,776,093	$ 1,828,368	$ 1,889,508	$ 1,978,787	$ 2,096,482	$ 2,248,923	$ 2,409,194	$ 2,571,607	$ 2,736,330	$ 2,903,519
Amount set aside / Transfer to Reserve	$ 52,275	$ 61,140	$ 89,279	$ 117,695	$ 152,441	$ 160,271	$ 162,414	$ 164,723	$ 167,188	$ 169,802
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 1,828,368	$ 1,889,508	$ 1,978,787	$ 2,096,482	$ 2,248,923	$ 2,409,194	$ 2,571,607	$ 2,736,330	$ 2,903,519	$ 3,073,321

Community Safety

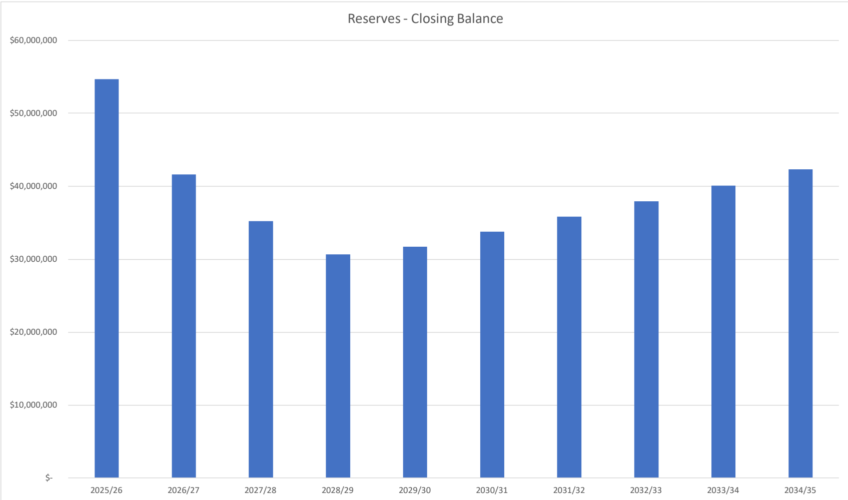
Opening Balance	$ 455,805	$ 469,221	$ 484,911	$ 507,823	$ 538,028	$ 577,149	$ 618,280	$ 659,961	$ 702,234	$ 745,140
Amount set aside / Transfer to Reserve	$ 13,416	$ 15,690	$ 22,912	$ 30,205	$ 39,121	$ 41,131	$ 41,681	$ 42,273	$ 42,906	$ 43,577
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 469,221	$ 484,911	$ 507,823	$ 538,028	$ 577,149	$ 618,280	$ 659,961	$ 702,234	$ 745,140	$ 788,717

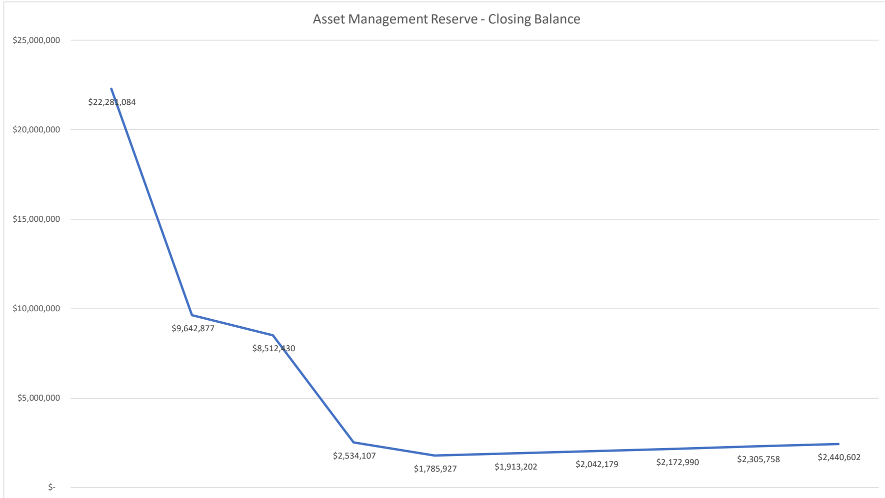
Mandurah Quay Seawall Reserve

Opening Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount set aside / Transfer to Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Public Art Reserve	Yr 1 2025	Yr 2 2026	Yr 3 2027	Yr 4 2028	Yr 5 2029	Yr 6 2030	Yr 7 2031	Yr 8 2032	Yr 9 2033	Yr 10 2034
Opening Balance	$ 311,498	$ 410,666	$ 514,399	$ 628,704	$ 756,098	$ 901,076	$ 1,055,292	$ 1,216,434	$ 1,384,352	$ 1,558,935
Amount set aside / Transfer to Reserve	$ 99,168	$ 103,732	$ 114,305	$ 127,394	$ 144,978	$ 154,216	$ 161,142	$ 167,918	$ 174,583	$ 181,169
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 410,666	$ 514,399	$ 628,704	$ 756,098	$ 901,076	$ 1,055,292	$ 1,216,434	$ 1,384,352	$ 1,558,935	$ 1,740,104

Transform Mandurah Funding Program Reserve										
Opening Balance	$ 925,969	$ 953,223	$ 985,098	$ 1,031,644	$ 1,093,004	$ 1,172,480	$ 1,256,037	$ 1,340,712	$ 1,426,590	$ 1,513,754
Amount set aside / Transfer to Reserve	$ 27,254	$ 31,875	$ 46,546	$ 61,361	$ 79,475	$ 83,557	$ 84,675	$ 85,879	$ 87,164	$ 88,526
Amount used / Transfer from Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Closing Balance	$ 953,223	$ 985,098	$ 1,031,644	$ 1,093,004	$ 1,172,480	$ 1,256,037	$ 1,340,712	$ 1,426,590	$ 1,513,754	$ 1,602,281





Attachment 7 - Ratios

Ratios	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Current Ratio (>1)	1.35	1.39	1.44	1.48	1.56	1.64	1.78	1.94	2.21	2.59
Debt service cover ratio (Basic >2, Advanced >5)	3.82	4.30	4.45	3.72	3.70	3.76	4.02	4.30	4.54	4.86
Own source revenue (Basic >0.4, Intermediate >0.6, Advanced >0.9)	0.86	0.88	0.90	0.89	0.90	0.91	0.93	0.94	0.95	0.97
Operating Surplus ratio (Basic >0.01, Advanced >0.15)	-0.12	-0.09	-0.07	-0.08	-0.07	-0.05	-0.04	-0.02	-0.01	0.01
Asset Consumption Ratio (Basic >0.5, Improving between 0.6 and 0.75)	0.66	0.66	0.65	0.63	0.62	0.60	0.60	0.59	0.58	0.57
Asset Sustainability Ratio (Basic >0.9, Improving between 0.9 and 1.1)	0.95	1.16	1.03	0.91	0.89	0.81	0.80	0.91	0.97	0.99
Asset renewal ratio (Basic between .75 and .95, improving between .95 and 1.05)	1.18	1.26	1.28	1.33	1.33	1.38	1.45	1.53	1.57	1.59

Financial Position and Performance Policy

POL-FCM 08

CITY OF MANDURAH

Objective

The Council Financial Position and Performance Policy (Policy) demonstrates the City of Mandurah's (the City) commitment to financial stewardship by exercising responsible oversight and management to meet the current and future needs of the community.

The Policy objectives are to:

- Ensure adequate funding is available to provide efficient services to the community that reflect the community's needs and aspirations;
- Demonstrate a commitment to intergenerational equity which ensures the financial burden be fairly proportioned and not impact adversely on current or future ratepayers;
- Support the City to achieve financial sustainability aimed at ensuring that the City's operating revenue is sufficient to cover operating expenses including depreciation;
- Prioritise asset renewals to ensure that community assets and the service levels are well maintained; and
- Demonstrate a commitment to prudent fiscal management and greater transparency to the community.

Applicability

This Policy applies to City employees and assists Council in adopting the Annual Budget and Long Term Financial Plan (LTFP).

Statement

1. Key Principles

The Policy is founded on the following key Principles:

Accountability Principle	Financial decision making must be accountable, transparent, equitable and benefit the community, both now and in the future.
Borrowing Principle	Loans for the acquisition or construction of capital projects are to be considered where the criteria are met.
Asset Renewal Principle	Asset renewals must have a higher priority than the creation of new assets.
Rating Principle	Community's capacity to pay must be considered, balanced with ensuring the full cost of infrastructure and service delivery are equitably met by all generations of ratepayers.
Revenue Principle	Revenue opportunities will be identified and pursued.
Efficiency Principle	Resources must be efficient, prioritised, and optimised in-service delivery for the community.

2. Accountability Principle

To ensure that the City demonstrates accountable, fair and transparent decision making, the following criteria applies:

- Compliance with *Local Government Act 1995* (the Act) regulations and relevant accounting standards and guidelines;
- Alignment of service delivery with the Strategic Community Plan and Corporate Business Plan;
- Timely and transparent financial reporting providing Council and the community with visibility and insight;
- Consultation is to be undertaken with the community on the Annual Budget (including rating strategy) and LTFP;
- Demonstrate fair, consistent and transparent decision making which aims to maximise positive outcomes which benefit the community as a whole;
- Effective financial internal controls which are independently audited in accordance with the City of Mandurah Strategic Internal Audit Plan;
- Monitors the City's performance with the Department of Local Government, Sport and Cultural Industries (DLGSC) financial ratio benchmarks;
- Robust and responsible budgeting and LTFP processes; and
- Responsive to emerging issues through risk identification, monitoring and reporting to Audit and Risk Committee and Council.

3. Borrowing Principle

The City recognises that it may be necessary to borrow funds for the acquisition or construction of assets. In these cases, the following criteria for loan borrowings apply:

- Loans are to fund capital expenditure only;
- Annual debt service expense to be affordable in the context of the Annual Budget process and the City's long term financial capacity;
- Total loan borrowings should not exceed 50% of the current rating revenue;
- Loans will be for the length of time before major intervention works are required, but no more than ten years, except for certain projects that are outlined through the Annual Budget and approved by Council;
- Debt Service Coverage Ratio in any one year must be maintained in accordance with the DLGSC standard; and
- New loan borrowings will only be considered where a proposal has been presented to Council as part of the current Council approved Long Term Financial Plan.

4. Asset Renewal Principle

The City recognises that maintaining assets for current and future generations is crucial. Adequate investment in the City's assets protects future generations from bearing the previous ratepayers' obligations for contributing to future infrastructure needs. Every year, ratepayers should contribute the amount of asset benefit they use. This will enable the City to address any immediate need for strategic responses to major issues.

To ensure the City meets the current and future needs of the community, the following criteria apply:

- Where an asset exists and of a similar purpose, investment in asset renewals must be prioritised over the creation of new assets;
- Investment in asset renewals is required to ensure service levels are met for current and future generations without a decline in quality or efficiency;
- Demonstrate continuous improvement in the achievement of the DLGSC Asset Sustainability Ratio standard;
- Seek to maximise contribution to asset renewals from external grants and subsidies where possible;

- Subject to Council approval, any actual surplus at the end of the financial year, is transferred to the Asset Management Reserve to fund asset renewals, reducing the City's reliance on borrowings in the long term;
- Supports a position in the long term that through investing in additional renewal through the Rating Principle, the City will be able to fund capital programs reducing reliance on the Asset Management Reserve and borrowings; and
- Shared use of community assets to be maximised in accordance with Council Community and Recreations Facility Council Policy.

5. Rating Principle

The following criteria applies to the overall rating principle:

- Council approve the rating strategy each year as part of the LTFP and Annual Budget process;
- In establishing the rating strategy Council will consider the communities capacity to pay including:
  - Community service levels and expectations inform the development of the LTFP;
  - Current economic climate and conditions including consideration of cost-of-living pressures for the community; and
  - External cost escalation rates which impact on the City and community;
- The increase to general rates is formulated through a weighted average model which takes into consideration the cost escalations that the City is expected to experience for each expenditure type in the following financial year;
- The rating strategy applies the known escalation increases or where this is not available, the City applies the most reliable and timely cost escalation data to the related operational expenditure type;
- These assumptions will be applied to the related operational expenditure type for example:
  - Material and contracts increased by Perth CPI forecast where forecast is reliable and timely, otherwise RBA CPI will be applied.
  - Labour costs increased in accordance with the City's Industrial Agreement
  - Utilities and Insurance increased in accordance with the known escalation increases provided by the relevant supplier, and if there has been no confirmation of the increases, then the Local Government Cost index forecast will be applied.
- The weighted average model is formulated by determining the percentage of budget for each operational expenditure type and the forecasted cost escalation for each type. An additional 0.68% is included in the final model to enable the City to achieve the Asset Renewal Principle (refer section 4);
- Differential Rates apply ensuring that every landowner makes a reasonable contribution to rates;
- Specified Area Rates apply on certain locations in Mandurah where there is a waterway which enhances and requires an increased maintenance of the area by way of increased service levels for the benefit of the owners/residents who live in the area;
- Revenue raised through Specified Area Rates be used solely for the purpose which the rate was imposed, with any residual amount remaining being placed in a reserve for that same purpose; and
- Where applicable, Differential Rates and Specified Area Rates will be exercised by Council to meet specific community needs and to ensure fairness, consistency, transparency, efficiency, and equity for the community in accordance with the Act.

6. Revenue Principle

In addition to the rating revenue, the City will identify and explore opportunities through the following criteria:

- Actively seek grants and contributions when available and aligned to the delivery of the Strategic Community Plan;
- Manage advocacy priorities and efforts in accordance with the City of Mandurah Advocacy Framework;
- Demonstrate continuous improvement in the achievement of the DLGSC Operating Surplus Ratio standard;
- Identify opportunities to increase the level of commercial returns and broaden commercial opportunities where practical; and
- Fees and charges for the provision of for-profit services must recover the full economic cost of providing the service.

7. Efficiency Principle

The City is committed to maximising organisational efficiencies through the following criteria:

- Resources are allocated in accordance with objectives in the Strategic Community Plan and Corporate Business;
- Services levels and programs will be assessed and reviewed by Council in accordance with the City of Mandurah Service Review Framework to achieve the best value for money and appropriate quality aligned to community expectations; and
- A culture of continuous improvement is embedded within the City, through the delivery of the City of Mandurah Efficiency Program.

Definitions

Annual Budget: A statutory requirement outlining the financial estimates to deliver the Corporate Business Plan.

Asset Management Plan: A local government's internal business planning tool that translates Council priorities into operations, within the resources available. The Corporate Business Plan details the services, operations, and projects a local government will deliver over a defined period.

Intergenerational Equity: The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life (more evenly spreading the financial burden against current and future ratepayers who will enjoy the benefits).

Legislative Context

Local Government Act 1995
Local Government (Financial Management) Regulations 1996
Australian Accounting Standards Board (AASB) Standard
Department of Local Government Rating Policy Differential Rates (s.6.33) August 2013

Review

This Policy will be reviewed each year as per the LTFP process.

Related Documents

These documents are mandatory and required to give effect to this policy:

Financial Position and Performance Policy
POL-FCM 08

City of Mandurah Strategic Community Plan
City of Mandurah Long Term Financial Plan
Asset Management Strategy
Community and Recreation Facilities Council Policy – POL-CNP 07
Collection of Overdue Debts Council Policy – POL-FCM 08
City of Mandurah Service Review Framework

Responsible Directorate: Business Services

Responsible Department: Financial Services

Reviewer: Director Business Services

Creation date and reference: 21 May 2024, Minute SP.1/5/24

Last Review:

Amendments			
Version #	**Council Approval Date, Reference**	**Date Document In force**	**Date Document Ceased**
1	Minute SP.1/5/24	22 May 2024	

Financial Position and Performance Policy

POL-FCM 08

CITY OF MANDURAH

Objective

The Council Financial Position and Performance Policy (Policy) demonstrates the City of Mandurah's (the City) commitment to financial stewardship by exercising responsible oversight and management to meet the current and future needs of the community.

The Policy objectives are to:

- Ensure adequate funding is available to provide efficient services to the community that reflect the community's needs and aspirations;
- Demonstrate a commitment to intergenerational equity which ensures the financial burden be fairly proportioned and not impact adversely on current or future ratepayers;
- Support the City to achieve financial sustainability aimed at ensuring that the City's operating revenue is sufficient to cover operating expenses including depreciation;
- Prioritise asset renewals to ensure that community assets and the service levels are well maintained; and
- Demonstrate a commitment to prudent fiscal management and greater transparency to the community.

Applicability

This Policy applies to City employees and assists Council in adopting the Annual Budget and Long Term Financial Plan (LTFP).

Statement

1. Key Principles

The Policy is founded on the following key Principles:

Accountability Principle	Financial decision making must be accountable, transparent, equitable and benefit the community , both now and in the future. ~~as a whole.~~
Borrowing Principle	Loans for the acquisition or construction of capital projects are to be considered where the criteria is met.
Asset Renewal Principle	Asset renewals must have a higher priority than the creation of new assets.
Rating Principle	Community's capacity to pay must be considered, balanced with ensuring the full cost of infrastructure and service delivery are equitably met by all generations of ratepayers.
Revenue Principle	Revenue opportunities will be identified and pursued.
Efficiency Principle	Resources must be efficient, prioritised and optimised in service delivery for the community.

2. Accountability Principle

To ensure that the City demonstrates accountable, fair and transparent decision making, the following criteria applies:

- Compliance with *Local Government Act 1995* (the Act) regulations and relevant accounting standards and guidelines;
- Alignment of service delivery with the Strategic Community Plan and Corporate Business Plan;
- Timely and transparent financial reporting providing Council and the community with visibility and insight;
- Consultation is to be undertaken with the community on the Annual Budget (including rating strategy) and LTFP;
- Demonstrate fair, consistent and transparent decision making which aims to maximise positive outcomes which benefit the community as a whole;
- Effective financial internal controls which are independently audited in accordance with the City of Mandurah Strategic Internal Audit Plan;
- Monitors the City's performance with the Department of Local Government, Sport and Cultural Industries (DLGSC) financial ratio benchmarks;
- Robust and responsible budgeting and LTFP processes; and
- Responsive to emerging issues through risk identification, monitoring and reporting to Audit and Risk Committee and Council.

3. Borrowing Principle

The City recognises that it may be necessary to borrow funds for the acquisition or construction of assets. In these cases, the following criteria for loan borrowings apply:

- Loans are to fund capital expenditure only;
- Annual debt service expense to be affordable in the context of the Annual Budget process and the City's long term financial capacity;
- Total loan borrowings should not exceed 50% of the current rating revenue;
- Loans will be for the length of time before major intervention works are required, but no more than ten years, except for certain projects that are outlined through the Annual Budget and approved by Council;
- Debt Service Coverage Ratio in any one year must be maintained in accordance with the DLGSC standard; and
- New loan borrowings will only be considered where a proposal has been presented to Council as part of the current Council approved Long Term Financial Plan.

4. Asset Renewal Principle

The City recognises that maintaining assets for current and future generations is crucial. Adequate investment in the City's assets protects future generations from bearing the previous ratepayers' obligations for contributing to future infrastructure needs. Every year, ratepayers should contribute the amount of asset benefit they use. This will enable the City to address any immediate need for strategic responses to major issues.

To ensure the City meets the current and future needs of the community, the following criteria apply:

- Where an asset exists and of a similar purpose, investment in asset renewals must be prioritised over the creation of new assets;
- Investment in asset renewals is required to ensure service levels are met for current and future generations without a decline in quality or efficiency;
- Demonstrate continuous improvement in the achievement of the DLGSC Asset Sustainability Ratio standard;

- Seek to maximise contribution to asset renewals from external grants and subsidies where possible;
- Subject to Council approval, any actual surplus at the end of the financial year, is transferred to the Asset Management Reserve to fund asset renewals, reducing the City's reliance on borrowings in the long term;
- Supports a position in the long term that through investing in additional renewal through the Rating Principle, the City will be able to fund capital programs reducing reliance on the Asset Management Reserve and borrowings; and
- Shared use of community assets to be maximised in accordance with Council Community and Recreations Facility Council Policy.

5. Rating Principle

The following criteria applies to the overall rating principle:

- ~~Subject to~~ Council approve ~~val in the~~the rating strategy each year as part of the LTFP and Annual Budget process; ~~,~~
- ~~the increase to general rates is in line with CPI and an additional amount of 0.68%, to enable the City to achieve the Asset Renewal Principle (refer section 4);~~
- In establishing the rating strategy Council will c~~C~~onsider the~~ation of~~ communit~~y~~ies capacity to pay including: ~~will form an integral part of the Annual Budget process incorporating the following criteria when determining the rates setting:~~
  - Community service levels and expectations ~~as identified and approved through the~~inform the development of the ~~Long Term Financial Plan~~LTFP ~~process~~;
  - Current economic climate and conditions including consideration of cost-of-living pressures for the community; and
  - External cost escalation rates which impact on the City and community; ~~and~~
  - ~~Provide a range of concessions (e.g. for pensioners and charitable institutions) and will accommodate special circumstances where hardship can be demonstrated.~~
- The increase to general rates is formulated through a weighted average model which takes into consideration the cost escalations that the City is expected to experience for each expenditure type in the following financial year.
- The rating strategy applies the known escalation increases or where this is not available, the City applies the most reliable and timely cost escalation data to the related operational expenditure type.
- These assumptions will be applied to the related operational expenditure type for example:
  - Material and contracts increased by Perth CPI forecast where forecast is reliable and timely, otherwise RBA CPI will be applied
  - Labour costs increased in accordance with the City's Industrial Agreement
  - Utilities and Insurance increased in accordance with the known escalation increases provided by the relevant supplier, and if there has been no confirmation of the increases, then the Local Government Cost index forecast will be applied.
- The weighted average model is formulated by determining the percentage of budget for each operational expenditure type and the forecasted cost escalation for each type. An additional 0.68% is included in the final model to enable the City to achieve the Asset Renewal Principle (refer section 4);

- Differential Rates apply ensuring that every landowner makes a reasonable contribution to rates;
- Specified Area Rates apply on certain locations in Mandurah where there is a waterway which enhances and requires an increased maintenance of the area by way of increased service levels for the benefit of the owners/residents who live in the area;

- Revenue raised through Specified Area Rates be used solely for the purpose which the rate was imposed, with any residual amount remaining being placed in a reserve for that same purpose; and
- Where applicable, Differential Rates and Specified Area Rates will be exercised by Council to meet specific community needs and to ensure fairness, consistency, transparency, efficiency and equity for the community in accordance with the Act~~;~~ .
-

6. Revenue Principle

In addition to the rating revenue, the City will identify and explore opportunities through the following criteria:

- Actively seek grants and contributions when available and aligned to the delivery of the Strategic Community Plan;
- Manage advocacy priorities and efforts in accordance with the City of Mandurah Advocacy Framework;
- Demonstrate continuous improvement in the achievement of the DLGSC Operating Surplus Ratio standard;
- Identify opportunities to increase the level of commercial returns and broaden commercial opportunities where practical; and
- Fees and charges for the provision of for profit services ~~should aim to~~must recover the full economic cost of providing the service.

7. Efficiency Principle

The City is committed to maximising organisational efficiencies through the following criteria:

- Resources are allocated in accordance with objectives in the Strategic Community Plan and Corporate Business;
- Services levels and programs will be assessed and reviewed by Council in accordance with the City of Mandurah Service Review Framework to achieve the best value for money and appropriate quality aligned to community expectations; and
- A culture of continuous improvement is embedded within the City, through the delivery of the City of Mandurah Efficiency Program. ~~with a focus on identifying and implementing ways to increase the efficiency of business processes~~.

Definitions

Annual Budget: A statutory requirement outlining the financial estimates to deliver the Corporate Business Plan.

Asset Management Plan: A local government's internal business planning tool that translates Council priorities into operations, within the resources available. The Corporate Business Plan details the services, operations and projects a local government will deliver over a defined period.

Intergenerational Equity: The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life (more evenly spreading the financial burden against current and future ratepayers who will enjoy the benefits).

Financial Position and Performance Policy
POL-FCM 08

CITY OF MANDURAH

Legislative Context

Local Government Act 1995
Local Government (Financial Management) Regulations 1996
Australian Accounting Standards Board (AASB) Standard
Department of Local Government Rating Policy Differential Rates (s.6.33) August 2013

Review

This Policy will be reviewed each year as per the ~~Long Term Financial Planning~~LTFP process.

Related Documents

These documents are mandatory and required to give effect to this policy:

City of Mandurah Strategic Community Plan
City of Mandurah Long Term Financial Plan
Asset Management Strategy
Community and Recreation Facilities Council Policy – POL-CNP 07
Collection of Overdue Debts Council Policy – POL-FCM 08
City of Mandurah Service Review Framework

Responsible Directorate: Business Services

Responsible Department: Financial Services

Reviewer: Director Business Services

Creation date and reference: 21 May 2024, Minute SP.1/5/24

Last Review:

Amendments			
Version #	**Council Approval Date, Reference**	**Date Document In force**	**Date Document Ceased**
1	Minute SP.1/5/24	22 May 2024	

2	**SUBJECT:**	**Notice of Intention to Impose the 2025/26 Differential Rates and Minimum Payments**
	DIRECTOR:	Business Services
	MEETING:	Special Council Meeting
	MEETING DATE:	20 May 2025

Summary

The *Local Government Act 1995* (the Act) requires local governments which have differential rates, to advertise the proposed rates and invite public submissions. The Statement of Rating Objects and Reasons, including the proposed Differential and Specified Area Rates has now been prepared for Council consideration.

To determine the proposed rate setting for 2025/2026 Financial Year, Council has participated in a series of Financial Implications Briefing Sessions over a course of seven months, where rating options have been workshopped.

Council is now requested to provide local public notice of Council's intention to impose differential rates, based on a 4.08% increase, seeking comments on the information contained in the Statement of Rating Objects and Reasons (refer Attachment 2.1). Following the closing of submissions, Council will be presented with community feedback prior to determining the rates for the 2025/2026 Financial Year.

Disclosure of Interest

N/A

Previous Relevant Documentation

- G.2/5/24 — 21/05/2024 — Council endorsed the Statement of Objects and Reasons for the 2024/2025 financial year as detailed in Attachment 2.1. Council approved the rates in the dollar and minimum payments for the purposes of providing a local public notice of its intentions to impose differential rates and minimum rates for the 2024/2025 Financial Year as per Attachment 2.1, as outlined in the minutes.

Background

The City of Mandurah is continuing to experience population and housing growth. Likewise, the City's infrastructure, services and amenities are expanding to meet the requirements of this growth. Further, the City's existing infrastructure is ageing and requires investment for maintenance and replacement. Around 70% of the City's operational funding is through rates revenue.

The City imposes differential rates based on the purpose for which land is zoned or for which the land is held or used. In accordance with section 6.36 of the *Local Government Act 1995*, the City is required to give local public notice of its intention to impose differential general rates prior to adopting its 2025/2026 budget.

Rates are calculated by applying a differential rate in the dollar depending on the characteristics and/or uses of the land, with the gross rental value (GRV) to determine the rates levied for each parcel of rateable land. GRV values are revised by the Officer of the Valuer General every 4 years with the City's next revaluation being for the 2026/2027 year.

Comment

Long Term Financial Plan

At this Special Council Meeting of 20 May 2025, Council is being requested to adopt the Long Term Financial Plan (LTFP) and amendments to the Council Financial Position and Performance Policy (Policy) for the purpose of inviting community submissions. There is no statutory requirement for the advertising of the LTFP and the Policy, however in the interests of seeking community feedback, Council made the decision to advertise.

The LTFP provides financial projections over 10 years to indicate the City's financial capacity, based on various objectives and assumptions. It is reviewed and adjusted annually alongside the Corporate Business Plan and Annual Budget to respond to community needs and dynamic influences like strategies, priorities, opportunities, and emerging issues.

A key component of the LTFP is the inclusion of a rating strategy and the impact of rates modelling over the 10 year plan. Discussions on the rating strategy have progressed over the course of the financial year through a series of Financial Implications Briefing Sessions with Council.

Rating Strategy Development

Since the adoption of the 2021/2030 LTFP in 2021, Council has endorsed a rating strategy applying the Reserve Bank of Australia (RBA) Consumer Price Index (CPI) forecast + an additional 0.68% which represents the required level of investment into asset renewal.

This rating strategy was developed following an audit finding which indicated that the City was not investing enough in its renewal of infrastructure assets. Council were advised that this issue needed to be addressed over the life of the Plan and a strategy was required to reach the required expenditure. If there is no action taken by Council, then there is a risk that the City's assets will be negatively impacted as well as services provided to the community. In response to this risk, Council adopted a rating strategy in the LTFP which required an additional 0.68% to be included in the rating model.

Within the rating strategy modelling, the City historically used the RBA CPI forecast due to there being no Perth CPI forecast data available. However, in 2023 the Western Australian Treasury released a Perth CPI forecast data as part of the Mid-Year Review Process.

City officers are now recommending that Perth CPI forecast data be the preferred forecast in the rating strategy model where the forecast is reliable and timely. This is due to Perth CPI data being more relevant to the cost escalations the City experiences on an annual basis for materials and contracts the City holds with external suppliers/contractors. The City's expenditure on materials and contracts is $67.7m, equating to 49.7% of expenditure (excluding depreciation).

The Perth CPI data forecast data best reflects the forecasted increases the City is likely to experience over the course of the 2025/26 Financial Year. The CPI forecast data is set out in the table below:

CPI	2025 Year-end forecast	Actual March 2025 Quarter
Perth CPI Forecast	2.75%	2.8%
RBA CPI Forecast	2.4%	2.4%

In development of the rating strategy model, City officers have also identified that the known and forecast cost escalations for other expenditure types e.g. employee costs, insurance and utilities are higher than CPI. City officers are now recommending the application of a new rating strategy model which reflects the operational cost escalations experienced by the City over the course of a financial year.

2025/2026 Rating Strategy

For the 2025/2026 rating strategy, City officers are recommending the increase to general rates to be formulated through a weighted average model. The model takes into account the cost escalations that the City is expected to experience for each expenditure type in the following financial year.

The weighted average model is formulated by determining the percentage of budget for each operational expenditure type and the known or forecasted cost escalation for each expenditure type. An additional 0.68% is included in this model to enable the City to achieve the Asset Renewal Principle as established in the LTFP and the Council Financial Position and Performance Policy FCM-08.

The rating strategy has been formulated using the most reliable and timely cost escalation data available and the relevant assumptions has been applied to the related operational expenditure type as set out in the table below:

Expenditure Escalation	**% of expenditure**	**%increase**	**Escalation applied and source**
Employee Costs	44.67%	3.5%	The City's salary increase from March 2025 reflects year 1 of the Industrial Agreement.
Materials and Contracts	49.76%	2.75%	Increase by Perth CPI forecast for 30 June 2025 based on WA Treasury forecast.
Utility Charges	3.7%	9.1%	Utility costs increase through a combination of: • Projected to increase by 3% based on WALGA Local Government Cost Index estimates. • An additional 6.1% is included as the City's contestable sites electricity costs have increased by more than WALGA's estimates.
Insurance	1.2%	8.6%	The cost for insurance has been projected to increase based on WALGA Local Government Cost Index estimates.

Should the City maintain its existing rating strategy of RBA CPI + 0.68% over the recommended Option 1 of 4.08% it would result in a shortfall of $634,931 in year 1 of the plan and $8.7m over the life of the plan. This demonstrates that the City would not be receiving sufficient revenue to cover operational expenditure increases. These yearly shortfall amounts are shown in the table below:

Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
-$ 634,930.90	-$ 826,666.37	-$ 903,378.16	-$ 906,800.89	-$ 908,936.86	-$ 909,682.26	-$ 908,927.36	-$ 906,556.31	-$ 902,446.75	-$ 896,469.56

Major Capital Projects

The 2026-2035 LTFP incorporates the following major capital projects in year one:

- Mandurah Performing Arts Centre Air Conditioning Replacement
- Regional Netball and Multi-use Facility
- New Operations Centre
- Western Foreshore Leisure Precinct
- Mandurah Aquatic and Recreation Centre Sports Courts Upgrade
- Community Shed Dower Street
- Town Beach Seawall Renewal
- Doddies Beach Protection
- Eastern Foreshore Boardwalk Renewal
- Yalgorup National Park projects
- Coodanup Foreshore Upgrade
- Dawesville Foreshore Upgrade

Efficiency Program

Ensuring responsible and prudent management of the community's money is a key driver in the LTFP. The Council Financial Position and Performance Policy, adopted by Council in June 2024 establishes an efficiency principle which aims to ensure service delivery is efficient and aligned to community needs.

The City has established an efficiency program which incorporates the following strategies:

Strategy 1: Permanent Cost Saving

As part of the 2024 LTFP adoption, Council set an annual efficiency target of $250,000 in permanent cost savings to be generated through review of contracts, programs and services. The efficiency target has been incorporated into Year 1 of the Plan, which will achieve a permanent reduction of $250,000 to operating expenditure each year, resulting in $2.5 million in permanent savings over the 10 year Plan. Regular reporting on the achievement of the efficiency target will be provided to Council.

The cumulative effect of this initiative over the Plan is demonstrated in the table below:

Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
250,000.00	500,000.00	750,000.00	1,000,000.00	1,250,000.00	1,500,000.00	1,750,000.00	200,000.00	2,250,000.00	2,500,000.00

Strategy 2: One-off cost savings

Council budgets for a deficit of $500,000 and is required to find one-off cost savings over the course of the financial year to achieve a balanced budget. This is achieved through a range of strategies and is reported to Council through the budget process.

Strategy 3: Business Improvement

The City has embraced a culture of continuous improvement and new ways of doing business, which aim to improve productivity across the organisation. The City focuses on digital transformation and is implementing a range of projects which will result in more efficient use of resources and improved experience for customers.

Strategy 4: Service and Program Reviews

The City undertakes service and program reviews each year to ensure services and programs are aligned to community need and expectations and are providing value for money for the City. These reviews analyse the City's services to review current delivery and identify any potential improvements. The reviews can be used to improve the organisation's efficiency and effectiveness, assist in addressing financial sustainability.

Community Capacity to Pay

In comparison to more recent financial years, the economic conditions are more positive predominantly due to the easing inflation and a stable labour market. These trends suggest that many local households are experiencing a gradual improvement in their cost-of-living pressures. Inflation in Perth and across Australia has continued to ease. According to the Australian Bureau of Statistics, the CPI rose by 2.4% over the year to March 2025, down from higher inflation rates experienced in prior years.

This moderation in price increase indicates that the cost of everyday goods and services is increasing at a more manageable pace for most households. At the same time, wages in Western Australia have continued to rise. The Wage Price Index (WPI) for the state increased by 3.7% in the 12 months to March 2025 compared to 2.8% for the Perth CPI in the same period. With wage growth outpacing inflation, real incomes have improved, giving residents greater purchasing power and easing financial pressures.

Over the last 12 months, Mandurah's unemployment rate has marginally changed from 4.7% to 4.8%. Employment in the Mandurah Statistical Area Level 4 (SA4) has reached record highs with over 50,000 residents currently in work. Participation in the labour force has also remained relatively stable at 53%.

While specific wage or inflation data is not produced for Mandurah alone, these regional employment trends, when combined with broader state indicators, suggest that Mandurah households are sharing in the benefits of slowing inflation.

This data indicates that the outlook for cost-of-living pressures is more favourable than in recent years. Households in Mandurah are benefiting from low unemployment, rising wages, and stable prices. Local government rates remain an affordable component of the average household budget, especially when considered alongside broader economic gains. However, the City must continue to manage its own exposure to rising costs due to inflation-linked contractual obligations, even as residents experience improved financial wellbeing.

Strategy for affordable rate setting

Since the adoption of the 2021/2030 LTFP in 2021, Council has endorsed a rating strategy applying the CPI plus an additional 0.68% which represents a staged approach to reach the required level of investment into asset renewal within 10 years.

This rating strategy was developed following a review of historical data relating to the actual renewal asset investment by the City compared to the amount required to be invested to ensure there is no loss in condition of the asset to maintain the current level of service to the community. The review found that there was around a $6 million shortfall per year if no action was taken. In addition to further substantiating the position that action was required to invest in renewal projects, an audit finding indicated that the City was not investing enough in its renewal of infrastructure assets.

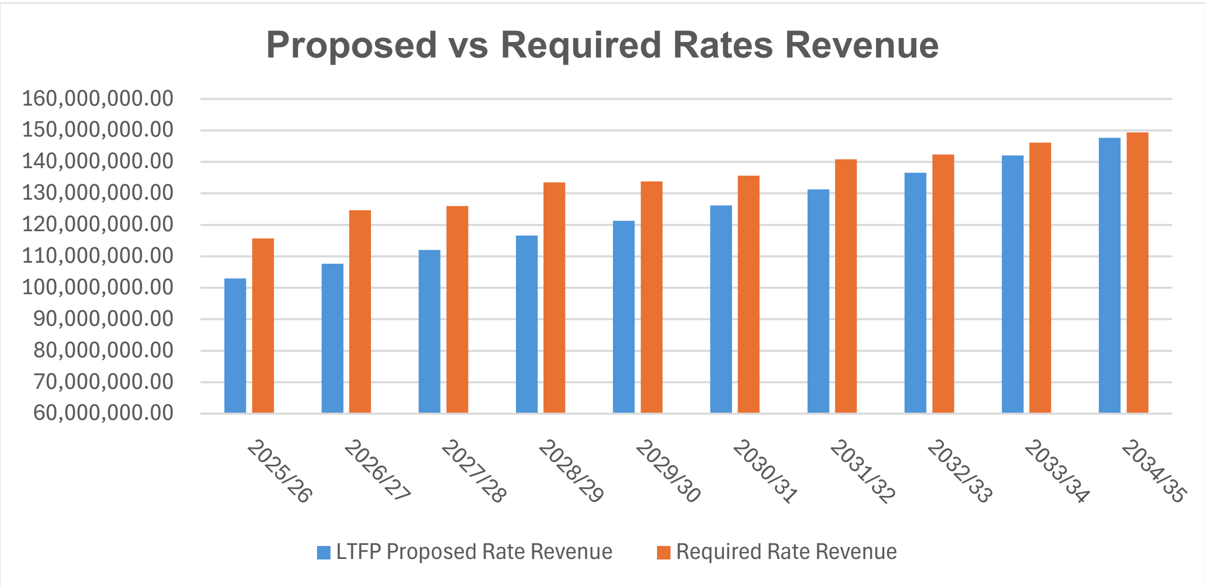
This rating strategy of an additional 0.68% per annum is to be set aside for renewal investment whilst continuing to maintain existing service levels, with the intention of meeting the required renewal investment within 10 years. The investment in asset renewals will maintain service levels for current and future generations without a decline in quality or efficiency of the assets. There may be years where the renewal expenditure for the financial year is less than what is allocated in the LTFP. In these years, the balance of funds will be transferred to the Asset Management Reserve to be used in the required year that renewal work is undertaken. This ensures that the current ratepayers of that year are still paying for their enjoyment of the use of the City assets, and the allocation is spread between the renewal projects and the Asset Management Reserve. If there is no action taken the long term impact is a decline in the condition of the City's assets and service level.

Until such time as there is no shortfall between the actual rates raised and the required rates to be raised, the City has to utilise the Asset Management Reserve and borrowings to fund the renewal projects. The City officers recommend that the treatment of surplus from the previous year is transferred to the Asset Management Reserve due to the current ratepayers not paying the actual amount required to cover the use of enjoyment of the City assets in that year. To ensure the decline in assets in the current year are paid for by the ratepayers who have benefited from them, the rating strategy of an additional 0.68% has been recommended. To fund the renewal projects in the past, the City has utilised strategies such as:

- allocating the end of year surplus to the Asset Management Reserves as a result of the current ratepayers shortfall between the rates being paid and the required amount to be paid in that year;
- funding renewal projects through the Asset Management Reserve;
- increasing borrowings as any renewal is likely to have an intergenerational benefit.

The City has undertaken modelling to determine what rates revenue would be required if the rating strategy was not staged and the Council applied the shortfall immediately, compared to the staged approach adopted by Council where an additional 0.68% per year applies as well as the utilisation of Asset Management Reserve to fund renewals until such time as it is depleted.

The graph below shows the required rates revenue compared with the LTFP rates revenue, demonstrating that the current ratepayers are paying less than what is required to cover the use and enjoyment of the City's total assets in one year. The required rate revenue considers all operational costs included in the LTFP, the decline in value of assets in that year based on the total assets (and allocated to either capital or transfer to Asset Management Reserve), and not utilising borrowings for the renewal part of the project. The LTFP rate revenue includes all operational costs included in the LTFP, the amount allocated to capital and utilises borrowings for the renewal part of the project due to insufficient funds in the Asset Management Reserve.



Rates 2025/2026

The City proposes to impose differential general rates to all gross rental values in its district according to one or a combination of:

- The purpose for which land is zoned.
- Whether or not the land is vacant land.

The City is proposing no changes to the existing five differential rate categories for all rateable land in its district. All five differential rating categories are valued using Gross Rental Value (GRV):

Rate Category	**Number of Properties**	**Category description**
Residential Improved	44,001	All improved land that is zoned residential (not zoned for commercial purposes).
Business Improved	1,449	All improved land that is zoned for commercial purposes.
Residential Vacant	3,598	All vacant land that is zoned for residential purposes (not zoned for commercial purposes)
Business Vacant	116	All vacant land that is zoned for commercial purposes
Urban Development	15	All vacant land greater in size than 10 hectares (primarily super-lots to be further subdivided)

In accordance with section 6.35 of the *Local Government Act 1995*, the City may impose a minimum payment to recognise that properties must contribute a minimum amount for the provision or services and infrastructure which benefit all the community. This is set out in the table below:

Rate Category	Number of Properties	Minimum Rate
Residential Improved	5,732	$1,338
Business Improved	419	$1,338
Residential Vacant	1,754	$966*
Business Vacant	11	$1,338
Urban Development	0	$1,338

The minimum amount payable for Residential Vacant has decreased from the 2024/2025 financial year (previously $1,064) due to the statutory requirement of having less than 50% of properties within the vacant rate category on minimum payment.

Rates by category

Residential improved land – rate in the dollar $0.093329

Object - This proposed rate in the dollar is regarded as the base rate as it represents the greatest number of properties in the City. It is for properties that are zoned and used for residential purposes.
Reason - This rate aims to ensure that all ratepayers contribute towards local government services and programs.

Residential vacant - rate in the dollar $0.178945

Object - This proposed rate in the dollar is set at a higher level as the City wishes to promote the development of all properties to their full potential

Reason - This rate in the dollar will act to deter land holdings and acts to stimulate residential development.

Business improved - rate in the dollar $0.101842

Object - This rate is to recognise that certain expenditures in the budget are specifically directed towards the economic development of the City and the additional costs associated with the service provision related to business activities.

Reason - This rate will ensure that the City meets the level of service costs associated with business properties and the area within which they are situated, including:

(a) provision and maintenance of road infrastructure and streetscapes including road renewals and upgrades, car parking, footpaths and traffic issues; and

(b) activation, facilitation and amenity improvements to promote the economic and social attractiveness to businesses areas.

Business vacant - rate in the dollar $0.186657

Object - This rate is set at a higher level as the City wishes to promote the development of all properties to their full potential.

Reason - This rate in the dollar will act to encourage commercial development and stimulate economic growth.

Urban development - rate in the dollar $0.166382

Object - This proposed rate in the dollar relates to land held for future development (superlots larger than 10 hectares in size). The City wishes to promote the development of all properties to their full potential.

Reason - As with other vacant land rates, this rate is set at a higher level to deter the holding of land and acts to stimulate residential development.

Rating Options

For the purposes of this Report, City officers have undertaken modelling on three options. A summary of each option and the financial impact to both the community and the City is summarised in the table below:

Rating Option	Summary of option and impact
Option 1 – 4.08% Weighted Average Perth CPI forecast Recommended option	• Weighted average model 3.4% + 0.68% = 4.08%. • The Perth CPI is forecasted by WATC to be 2.75% at 30 June 2025. This forecast is relevant for Perth and was provided in the Pre-election Financial Projections Statement in February 2025. A Perth CPI is more relevant for the City's materials and contracts which increase by Perth CPI at the contract anniversary date. • Represents a $69.44 yearly increase in the average residential rates or $1.34 a week. • Ensures adequate funding is available to provide the current service levels to the community. • Demonstrates a commitment to intergenerational equity which ensures the financial burden to maintain assets is fairly proportioned and does not impact adversely on current or future ratepayers. • Prioritises asset renewals to ensure that community assets and the service levels are well maintained. • Supports the performance of the Department of Local Government, Sport and Cultural Industries (DLGSC) Ratios.

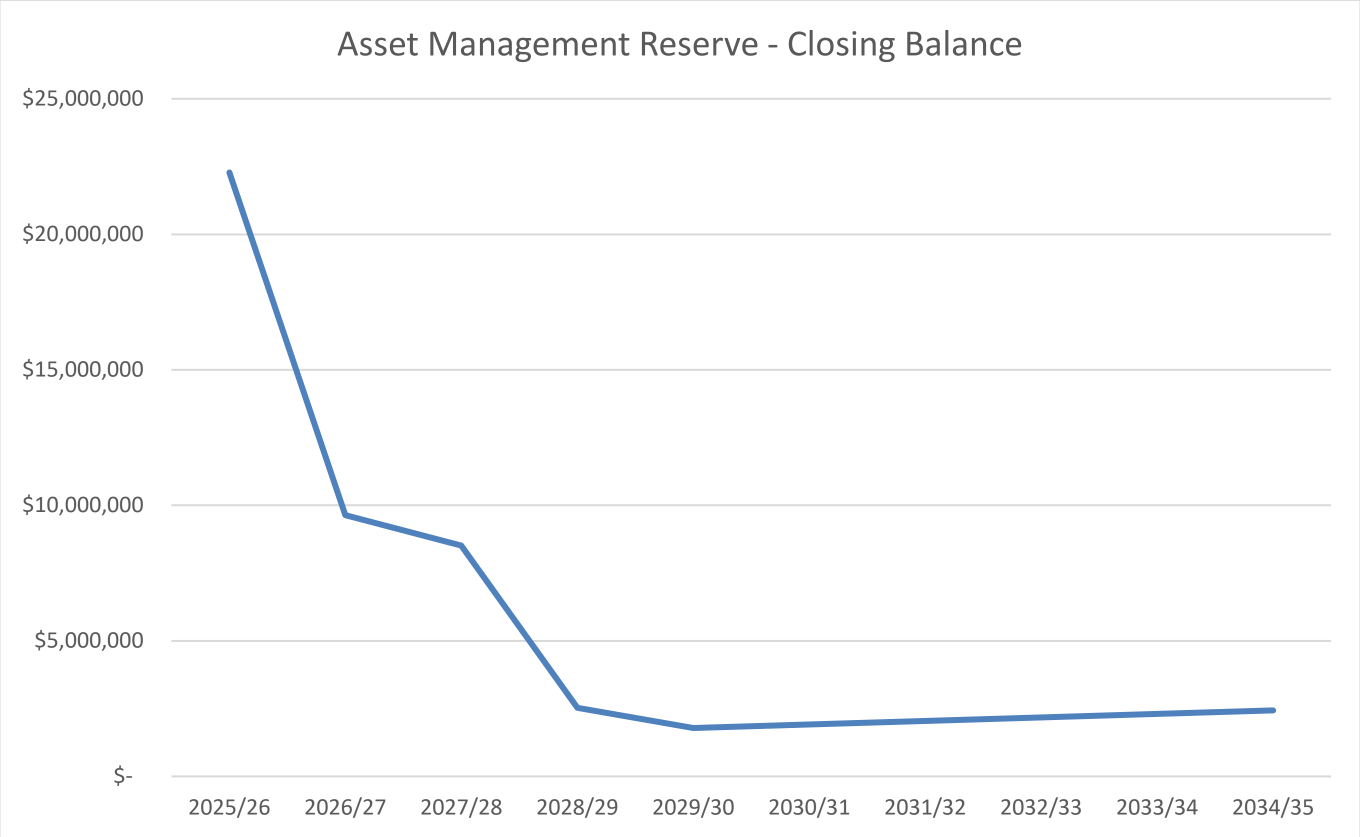
Option 2 – 3.90% Weighted Average Reserve Bank CPI forecast	• Weighted average model 3.22% + 0.68% = 3.90% • This model applies the RBA CPI which is forecasted to be 2.40% at 30 June 2025. This forecast is relevant for Australia and was provided in the RBA's Statement of Monetary Policy in February 2025. • The RBA CPI forecast is not relevant to the cost escalation the City experiences for materials and contracts expenditure, which is increased by Perth CPI. • Perth CPI forecast (2.75%) is higher than the RBA CPI forecast (2.4%). If by year end the Perth CPI actual is 2.75% and Option 2 raring strategy is applied, the City would experience a revenue shortfall of $231,909. • Represents a $66.38 yearly increase in the average residential rates or $1.28 a week. • This option would require a reduction in service levels as determined by Council. • Does not factor in appropriate cost escalation for materials and contracts resulting in a shortfall of $231,909. • Supports the performance of the DLGSC Ratios.
Option 3 – 0%	• This option is based on no rate increase. • If this option is retained in the long term over the life of the 10 year LTFP, the Asset Management Reserve would be significantly depleted borrowings would be at the maximum under the Financial Position and Performance Policy and asset renewal expenditure would decline. • This option would require a reduction in service levels as determined by Council. • Includes a shortfall in year 1 of $4.49m and a total shortfall over the life of the plan of $155.9m • This option would be not sustainable in the long term, would be detrimental to future generations and be outside of Council's Policy. • This option does not support the achievement of the DLGSC Ratios over the 10 Year Plan.

Option 1 – 4.08%

This option represents a 4.08% increase in rates. Should a rate increase of 4.08% be adopted, the City's rating revenue will total $102,984,995 for the 2025/2026 financial year. This increase represents an additional $4,901,099 for Year 1 of the Plan.

This option represents a balanced 10 year plan with a deficit in year 1 of $507,476 in line with the City's Financial Position and Performance Policy.

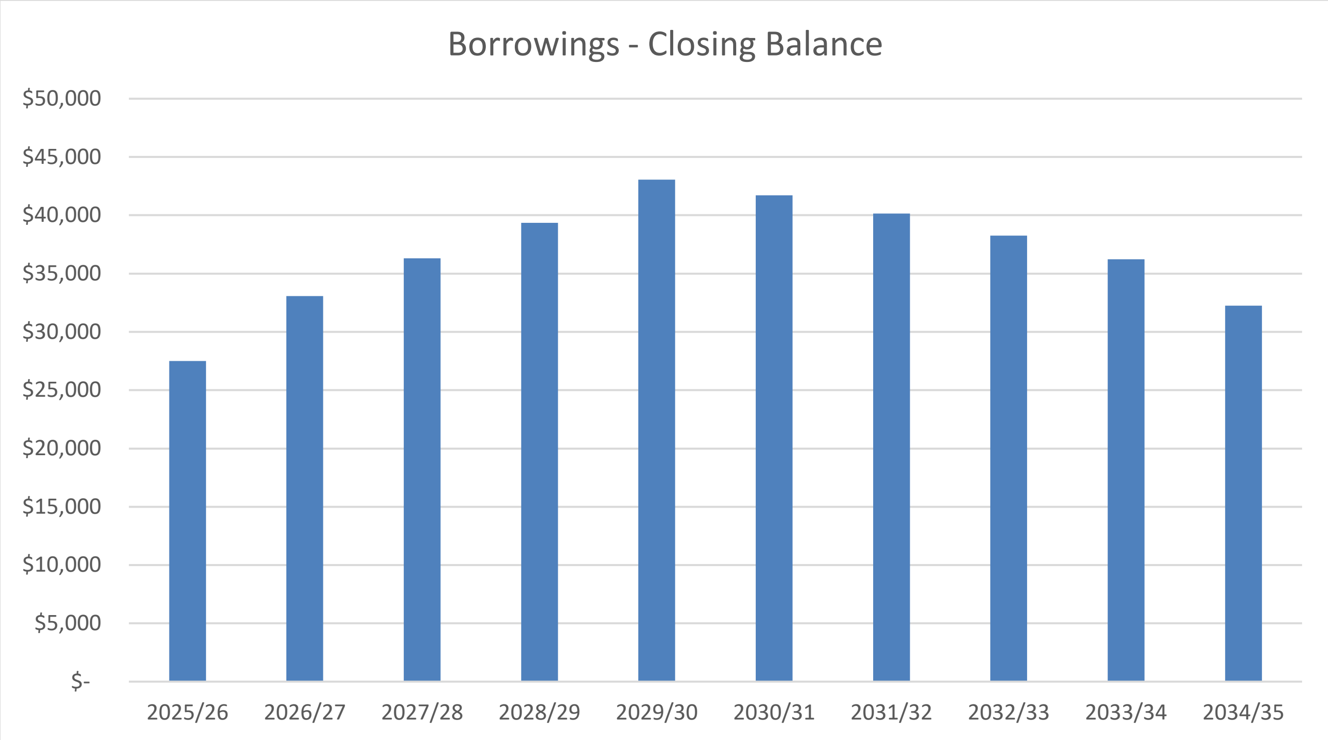
Under this option the Asset Management Reserve will decrease over the 10 years to just under $2 million:



Having the Asset Management Reserve at a low level is sufficient when there is a near matching of one year of depreciation (which is the value the City's assets have lost from being used in one year) compared to the level of renewal capital investment. In the later years of the LTFP, the depreciation and level of capital renewal investment is the same. When this is achieved, it means the current ratepayers who are using and enjoying the City's assets are paying the amount that is required to be reinvested to ensure there is no decline in condition from any one year.

Currently, ratepayers are not paying the amount required and the strategy to increase rates by 0.68% over the ten years, ensures that there is a phased approach to achieving the level of capital renewal investment required.

Borrowings will increase to $43.1 million in year three before decreasing to $32.2 million in year 10



Under this base option, the financial ratios that the City has been focusing on improving over the 10 year plan are as follows:

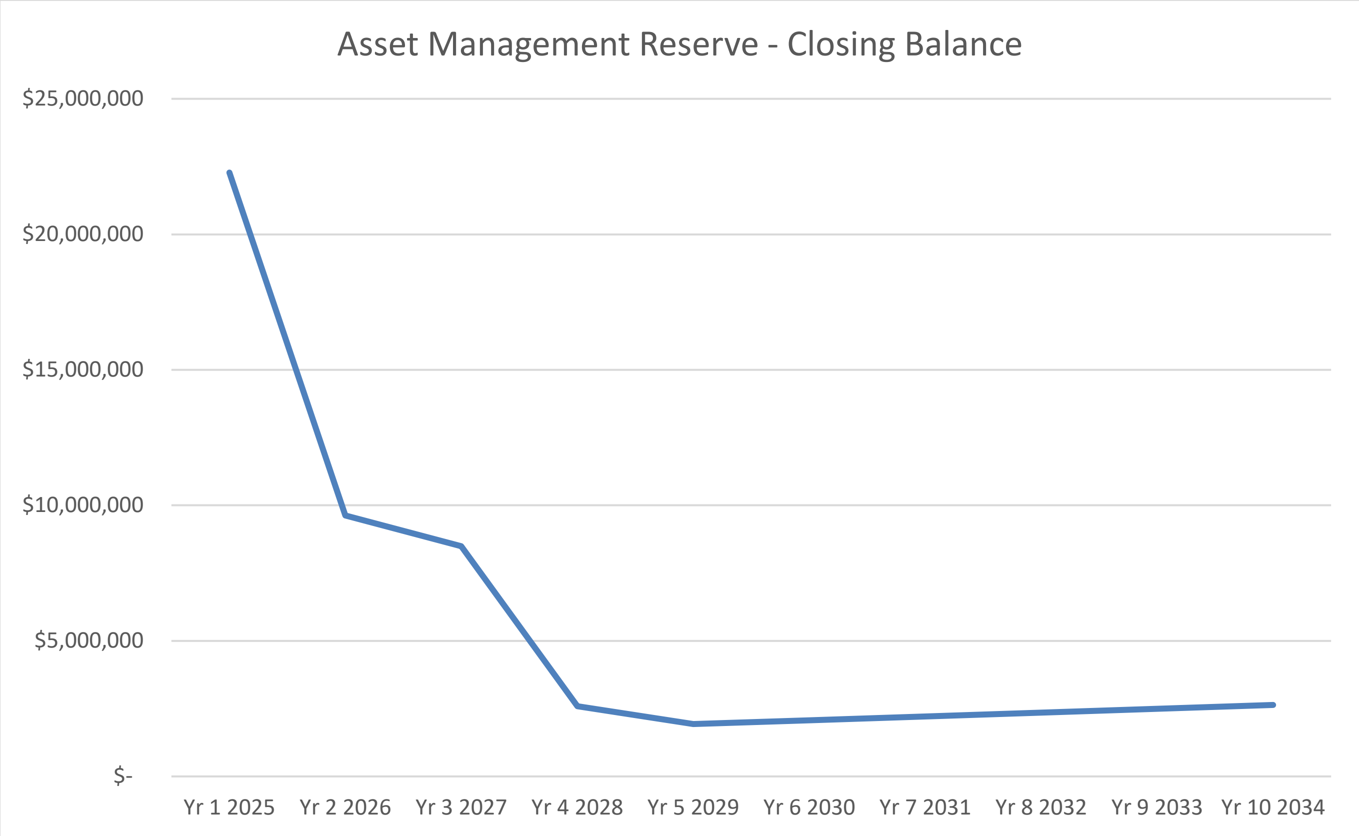
Ratios	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Current Ratio (>1)	1.35	1.39	1.44	1.48	1.56	1.63	1.77	1.94	2.21	2.59
Debt service cover ratio (Basic >2, Advanced >5)	3.82	4.30	4.45	3.72	3.70	3.76	4.02	4.30	4.54	4.86
Own source revenue (Basic >0.4, Intermediate >0.6, Advanced >0.9)	0.86	0.88	0.90	0.89	0.90	0.91	0.93	0.94	0.95	0.97
Operating Surplus ratio (Basic >0.01, Advanced >0.15)	-0.12	-0.09	-0.07	-0.08	-0.07	-0.05	-0.04	-0.02	-0.01	0.01
Asset Consumption Ratio (Basic >0.5, Improving between 0.6 and 0.75)	0.66	0.66	0.65	0.63	0.62	0.60	0.60	0.59	0.58	0.57
Asset Sustainability Ratio (Basic >0.9, Improving between 0.9 and 1.1)	0.95	1.16	1.03	0.91	0.89	0.81	0.80	0.91	0.97	0.99
Asset renewal ratio (Basic between .75 and .95, improving between .95 and 1.05)	1.18	1.26	1.28	1.33	1.33	1.38	1.45	1.53	1.57	1.59

Option 2 – 3.90%

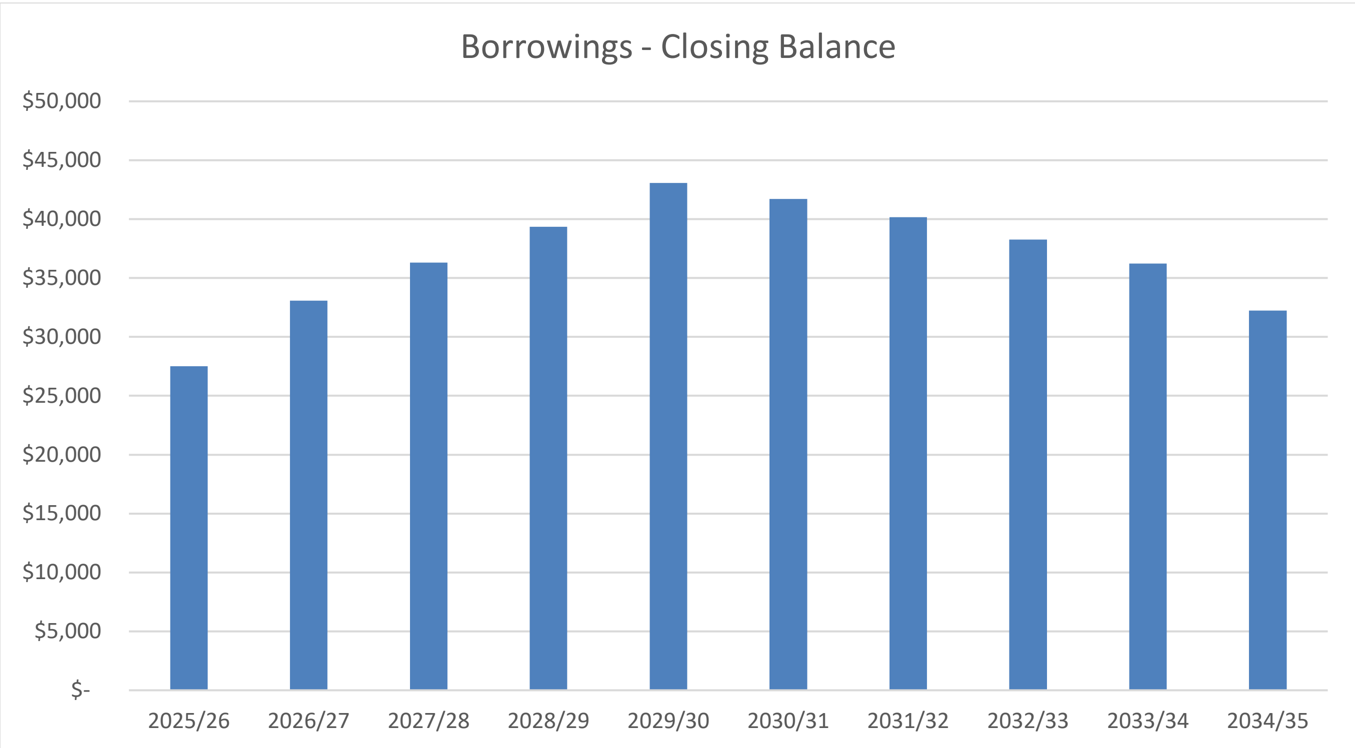
The option represents a 3.90% increase in rates. Under this option, the City's rating revenue will total $102,809,168 for the 2025/2026 financial year. This increase represents an additional $4,725,272 for Year 1 of the Plan.

This option represents a balanced 10 year plan with a deficit in year 1 of $581,337 in line with the City's Financial Position and Performance Policy. This option however will result in materials and contracts expenditure being increased by 2.4% as opposed to the Perth CPI forecast of 2.75% and does therefore not represent an accurate reflection of the City's cost increases. This will result in a shortfall of 0.35% totalling $231,909 in year 1.

Under this option the Asset Management Reserve will decrease over the 10 years to just under $2 million:



Borrowings will increase to $43.1 million by year 10:



Under this option, the financial ratios that the City has been focusing on improving over the 10 year plan are achieved:

Ratios	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Current Ratio (>1)	1.31	1.35	1.39	1.44	1.48	1.55	1.63	1.77	1.94	2.21
Debt service cover ratio (Basic >2, Advanced >5)	3.81	4.30	4.47	3.73	3.71	3.78	4.04	4.31	4.55	4.88
Own source revenue (Basic >0.4, Intermediate >0.6, Advanced >0.9)	0.86	0.88	0.90	0.89	0.90	0.91	0.93	0.94	0.95	0.97
Operating Surplus ratio (Basic >0.01, Advanced >0.15)	-0.12	-0.09	-0.07	-0.08	-0.07	-0.05	-0.04	-0.02	-0.01	0.01
Asset Consumption Ratio (Basic >0.5, Improving between 0.6 and 0.75)	0.66	0.66	0.65	0.63	0.62	0.60	0.60	0.59	0.58	0.57
Asset Sustainability Ratio (Basic >0.9, Improving between 0.9 and 1.1)	0.95	1.16	1.03	0.91	0.89	0.81	0.80	0.91	0.97	0.99
Asset renewal ratio (Basic between .75 and .95, improving between .95 and 1.05)	0.67	0.67	1.19	1.26	1.29	1.33	1.33	1.39	1.46	1.53

Option 3 - 0%

Under this option, the City's rating revenue does not increase other than natural growth through interim rating. This option contains a deficit in year 1 of $4.49m and a total deficit over the life of the plan of $155.9m represented in the table below:

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Surplus/(Deficit) no carry forward	($4,492,888)	($7,704,291)	($11,226,028)	($14,843,264)	($18,634,343)	($18,035,754)	($18,602,238)	($19,723,612)	($20,189,391)	($22,426,638)

To meet this shortfall the City would need to:

- Utilise the balance of $1.8m in the Asset Management Reserve Increase borrowings which would not align to the Council Financial Position and Performance Policy.
- Reduce expenditure through reduced service delivery to meet the balance of the shortfall.

Under this option, the financial ratios that the City has been focusing on improving over the 10 year plan decrease significantly

Ratios	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Current Ratio (>1)	1.17	0.84	0.32	-0.42	-1.42	-2.49	-3.82	-5.48	-7.75	-11.06
Debt service cover ratio (Basic >2, Advanced >5)	3.03	2.91	2.57	1.53	1.12	0.92	0.72	0.60	0.33	0.18
Own source revenue (Basic >0.4, Intermediate >0.6, Advanced >0.9)	0.84	0.84	0.84	0.81	0.80	0.80	0.79	0.79	0.78	0.78
Operating Surplus ratio (Basic >0.01, Advanced >0.15)	-0.15	-0.14	-0.15	-0.18	-0.20	-0.20	-0.21	-0.22	-0.23	-0.24
Asset Consumption Ratio (Basic >0.5, Improving between 0.6 and 0.75)	0.66	0.66	0.65	0.63	0.62	0.60	0.60	0.59	0.58	0.57
Asset Sustainability Ratio (Basic >0.9, Improving between 0.9 and 1.1)	0.95	1.16	1.03	0.91	0.89	0.69	0.58	0.61	0.57	0.52
Asset renewal ratio (Basic between .75 and .95, improving between .95 and 1.05)	1.00	1.04	1.03	1.02	0.96	0.92	0.91	0.91	0.87	0.85

Community Submissions

Following the adoption of the rates for advertising, the City will invite submissions from the community on the proposed differential rates. Submissions must be in writing and can be made via the following methods:

- Mail: PO Box 210 Mandurah WA 6210
- Email: council@mandurah.wa.gov.au
- Mandurah Matters (the City's community engagement platform)

The City will advertise the proposed differential rates for a period of 21 days. In accordance with the Act, the City will advertise the proposed differential rates in the local paper, the City's official website, notice boards and via the City's social media channel.

The City of Mandurah Statement of Object and Reasons for Imposing Differential Rates for 2025/2026 (refer Attachment 2.1) will be available on the City of Mandurah website. Following the closing of submissions, Council will consider the submissions prior to adopting the rates.

Specified Area Rates (SAR)

The City imposes Specified Area Rates (SAR) on certain locations in the district. SAR's enable the enhancement and maintenance of the general amenity of an area by way of increased service levels for the benefit of the owners/residents who live or work in the area.

The authority to impose specified area rates is set out in section 6.37 of the *Local Government Act 1995* (Act). This section of the Act requires that the money raised from a SAR be used solely for the purpose which the rate was imposed, with any residual amount remaining being placed in a reserve for that same purpose.

Each SAR, the rate in dollar and a brief overview of financial is below:

Waterside Canals - rate in the dollar $0.0000

This is levied on all properties within the Waterside Canals. The purpose of the rate is for owners to make a reasonable contribution toward maintaining and managing the canals. There are sufficient funds in the Waterside Canals SAR Reserves Account to cover the proposed expenditure of canal water quality testing, canal management fee, canal hydrographic survey costs and litter control.

Note: All owners are required to maintain/replace the canal walls on their land.

Mandurah Ocean Marina – rate in the dollar $0.01169

This is levied on all properties within the Mandurah Ocean Marina. The purpose is to provide for an enhanced maintenance standard and asset replacement costs. The SAR proposed expenditure includes maintaining navigable depths in the entrance, basin and boat ramp, maintenance to reflection wall along Breakwater Parade, maintenance of revetment walls, maintenance of cleaning and lighting boardwalk, contribution to security, maintaining navigational aids, environmental monitoring, Marina management, maintenance of Marina plant and equipment. There is also a requirement for funds to be transferred into the reserve to fund the future dredging requirements and replacement of revetment walls and reflection wall (along Breakwater Parade) when required.

Mandurah Quay – rate in the dollar $0.00425

This is levied on all properties within the Mandurah Quay sub-division. The purpose is to ensure the maintenance of the marina (i.e. water body and walls) and is levied to cover the life cycle expenses of the marina. The SAR proposed expenditure includes litter control, hydrographic survey, water quality monitoring, canal management fees and minor maintenance of the walls (including the header course blocks). There is also a requirement for funds to be transferred into the reserve to fund any major maintenance works as well as the future replacement of canal walls when required.

Note: The SAR does not fund the maintenance expenses for the pavement, garden beds and lighting along the public access way.

Mariners Cove – rate in the dollar $0.00067

This is levied on all canal frontages on the Mariner Cove canals. The purpose of the rate is for owners to make a reasonable contribution toward maintaining and managing the canals in accordance with the Artificial Waterways Policy – Canals and Core Management Group.

Note: All owners are required to maintain/replace the canal walls on their land.

Port Bouvard Eastport Canals - rate in the dollar $0.00128

This is levied on all canal frontages on the Eastport canals. The purpose is to recoup the costs of litter removal from the canal waterbody together with the costs of water quality testing, canal management fee, surveying and minor maintenance.

Note: All owners are required to maintain/replace the canal walls on their land.

Port Bouvard Northport Canals – rate in the dollar $0.0022

This is levied on all canal frontages on the Northport canals. The purpose is to recoup the costs of litter removal from the canal waterbody together with the costs of water quality testing, canal management fee, surveying and minor maintenance/canal cleaning.

Note: All owners are required to maintain/replace the canal walls on their land.

Port Mandurah Canals – rate in the dollar $0.00399

This is levied on all canal frontage properties located within the defined area of Port Mandurah Canals. The purpose of the rate is for owners to make a reasonable contribution toward maintaining and managing the canals in accordance with the Artificial Waterways Policy – Canals and Core Management Group. The SAR proposed expenditure includes litter control, hydrographic survey, water quality monitoring, canal management fees, contribution to the Port Mandurah Residents Association and transferring funds into the dredging reserve for when the constructed depths exceed the tolerance limits and dredging is required.

The defined area has been identified within the Government Gazette published 23 June 1995 as Schedule B in the City of Mandurah (Specified Area) Order No.1.

Note: All owners are required to maintain/replace the canal walls on their land.

Consultation

Extensive consultation has been undertaken with Elected Members on the development of the rating strategy through the delivery of monthly Financial Implication Briefing Sessions.

There is a 21 day consultation period whereby the community can provide feedback. Council will consider this feedback and determine the 2025/2026 rates at this time.

Statutory Environment

Local Government Act 1995:

6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
- *(a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
- *(b) a purpose for which the land is held or used as determined by the local government; or*
- *(c) whether or not the land is vacant land; or*
- *(d) any other characteristic or combination of characteristics prescribed.*

6.36. Local government to give notice of certain rates

(1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so. (2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).

(3) A notice referred to in subsection (1) —
- *(a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and*
- *(b) is to contain —*
  - *(i) details of each rate or minimum payment the local government intends to impose; and*
  - *(ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and*
  - *(iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed; and*
- *(c) is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.*

(4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.

Policy Implications

- Council Collection of Overdue Debts Policy – POL-FCM 08
- Council Financial Position and Performance Policy – POL FCM 08
- City of Mandurah Strategic Community Plan
- City of Mandurah Asset Management Strategy
- City of Mandurah Workforce Plan
- City of Mandurah Service Review Framework

Financial Implications

Rates and associated revenues provide approximately 70% of the City's operating revenues and enable the provision of a diverse range of services and infrastructure. In addition to the delivery of services the City's operations bring other economic benefits to the community such as the provision of employment and bringing business to local suppliers. The City also actively seeks to provide economic development opportunities to the community through activities such as the facilitation of tourism.

Economic Implications

The rating strategy and LTFP supports the achievement of the City's Strategic Community Plan which incorporates the economy as a key community priority.

Environmental Implications

The rating strategy and LTFP supports the achievement of the City's Strategic Community Plan which incorporates the environment as a key community priority.

Risk Analysis

The risk of the City adopting a lower rate increase than the one proposed is that the City's financial ratios are not improved leaving the City's infrastructure being at a lower service level than previously provided. In summary, the assets are not being renewed at the same level they are depreciating. There is a risk that the City may not have the ability to fund emergency renewal works through reserves and funding would come from deferral of other committed projects or loan funding.

Should a rate in the dollar not be advertised at this time, the adoption of the Budget for 2025/2026 will need to be delayed as the rate in the dollar needs to be advertised for 21 days before Council can adopt the budget. This may cause some delays in programs and projects commencing.

Adopting the proposed rate in the dollar for advertising does not commit the Council to imposing the rates for the 2025/26 financial year. Council must consider the submissions and when adopting the budget, expected to be considered at the June Ordinary Council Meeting, approve the rate percentage increase for the 2025/2026 financial year.

Strategic Implications

The following community outcomes from the City of Mandurah Strategic Community Plan 2024 – 2044 is relevant to this report:

<u>Leadership</u>:
- Responsible, transparent, value for money delivery of well planned, sustainable, projects, programs and services

Conclusion

Council is requested to adopt Option One, representing a rate increase of 4.08% and approve the following rates in the dollar for each category for the purposes of advertising:

Category	Rate in the dollar	Minimum Rate
Residential Improved	$0.093329	$1,338
Residential Vacant	$0.178945	$966
Business Improved	$0.101842	$1,338
Business Vacant	$0.186657	$1,338
Urban Development	$0.166382	$1,338

Council is requested to adopt the corresponding Statement of Objects and Reasons outlined in Attachment 2.1 and the SAR rates in the dollar that are proposed for the 2025/2026 financial year.

NOTE:

- Refer ***Attachment 2.1*** ***Statement of Objects and Reasons for Imposing Deferential Rates for 2024/2025***

RECOMMENDATION

That Council:

1. **Endorse the Statement of Objects and Reasons for the 2025/2026 Financial Year as detailed in Attachment 2.1.**

2. **Approves the following rates in the dollar and minimum payments for the purposes of providing a local public notice of its intentions to impose differential rates and minimum rates for the 2025/2026 Financial Year as per Attachment 2.1, as outlined below:**

Category	Rate in the dollar	Minimum Rate
Residential Improved	$0.093329	$1,338
Residential Vacant	$0.178945	$966
Business Improved	$0.101842	$1,338
Business Vacant	$0.186657	$1,338
Urban Development	$0.166382	$1,338

3. **Approves the following rates in the dollar for the purpose of local public notice of its intention for Specified Area Rates, for the 2025/2026 Financial Year as per Attachment 2.1 as outlined below:**

Specified Area Rate	Rate in the dollar
Waterside Canals	*$0.00000*
Mandurah Ocean Marina	*$0.01169*
Mandurah Quay	*$0.00425*
Mariners Cove	*$0.00067*
Port Bouvard Eastport Canals	*$0.00128*
Port Bouvard Northport Canals	*$0.00220*
Port Mandurah Canals	*$0.00399*

CITY OF MANDURAH

Statement of Object and Reasons for Imposing Differential Rates for 2025/2026

The following Statement is provided in accordance with Section 6.36 of the *Local Government Act 1995* to inform ratepayers of the City of Mandurah's Objects and Reasons for the differential rates being proposed for the 2025/2026 financial year.

The City of Mandurah (the City) applies a differential rate in the dollar depending on the characteristics and/or uses of the land, with the gross rental value (GRV) to determine the rates levied for each land that is rateable.

This document outlines the objects and reasons for implementing differential general rates.

Proposed Rates

The City proposes to impose differential general rates to all gross rental values in its district according to one or a combination of:

- The purpose for which land is zoned.
- Whether or not the land is vacant land.

For the 2025/2026 year, Council is proposing to impose five differential rates as shown in the table below:

Category	Rate in the dollar	Minimum Rate
Residential Improved	$0.093329	$1,338
Residential Vacant	$0.178945	$966
Business Improved	$0.101842	$1,338
Business Vacant	$0.186657	$1,338
Urban Development	$0.166382	$1,338

Objects and reasons

The following are the objects and reasons for each of the differential rates:

Residential improved land – rate in the dollar $0.093329

Object This proposed rate in the dollar is regarded as the base rate as it represents the greatest number of properties in the City. It is for properties that are zoned and used for residential purposes.

Reason This rate aims to ensure that all ratepayers contribute towards local government services and programs.

Residential vacant - rate in the dollar $0.178945

Object This proposed rate in the dollar is set at a higher level as the City wishes to promote the development of all properties to their full potential.

Reason This rate in the dollar will act to deter land holdings and acts to stimulate residential development.

Business improved - rate in the dollar $0.101842

Object This rate is to recognise that certain expenditures in the budget are specifically directed towards the economic development of the City and the additional costs associated with the service provision related to business activities.

Reason This rate will ensure that the City meets the level of service costs associated with business properties and the area within which they are situated, including:
(a) provision and maintenance of road infrastructure and streetscapes including road renewals and upgrades, car parking, footpaths and traffic issues; and
(b) activation, facilitation and amenity improvements to promote the economic and social attractiveness to businesses areas.

Business vacant - rate in the dollar $0.186657

Object This rate is set at a higher level as the City wishes to promote the development of all properties to their full potential.

Reason This rate in the dollar will act to encourage commercial development and stimulate economic growth.

Urban development - rate in the dollar $0.166382

Object This proposed rate in the dollar relates to land held for future development (super-lots larger than 10 hectares in size). The City wishes to promote the development of all properties to their full potential.

Reason As with other vacant land rates, this rate is set at a higher level to deter the holding of land and acts to stimulate residential development. .

Specified Area Rates (SAR)

The City imposes Specified Area Rates (SAR) on certain locations in the district. SAR's enable the enhancement and maintenance of the general amenity of an area by way of increased service levels for the benefit of the owners/residents who live or work in the area.

The authority to impose specified area rates is set out in section 6.37 of the *Local Government Act 1995* (the Act). This section of the Act requires that the money raised from a SAR be used solely for the purpose which the rate was imposed, with any residual amount remaining being placed in a reserve for that same purpose.

Waterside Canals - rate in the dollar $0.0000 (no charge this financial year)

This is levied on all properties within the Waterside Canals. The purpose of the rate is for owners to make a reasonable contribution toward maintaining and managing the canals. There is sufficient funds in the Waterside Canals SAR Reserves Account to cover the proposed expenditure of canal water quality testing, canal management fee, canal hydrographic survey costs and litter control.

Note: All owners are required to maintain/replace the canal walls on their land.

Mandurah Ocean Marina – rate in the dollar $0.01169

This is levied on all properties within the Mandurah Ocean Marina. The purpose is to provide for an enhanced maintenance standard and asset replacement costs. The SAR proposed expenditure includes maintaining navigable depths in the entrance, basin and boat ramp, maintenance to reflection wall along Breakwater Parade, maintenance of revetment walls, maintenance of cleaning and lighting boardwalk, contribution to security, maintaining navigational aids, environmental monitoring, Marina management, maintenance of Marina plant and equipment. There is also a requirement for funds to be transferred into the reserve to fund the future dredging requirements and replacement of revetment walls and reflection wall (along Breakwater Parade) when required.

Mandurah Quay – rate in the dollar $0.00425

On 12 September 1991, the WAPC approved the subdivision of land known then as 'The Sticks Tourist Development Area' subject to conditions, including a condition requiring the subdivider Forx Pty Ltd (Developer) to liaise with the City of Mandurah and Department of Marine and Harbours in regard to funding and management of the foreshore and Boat Haven after the initial 5 years following construction.

The Mandurah Quay area was approved based on the understanding that the general community would not be encumbered with the ongoing expense of the development of the Boat Haven infrastructure and all lots within the subdivision will contribute to the Mandurah Quay Home Owners Association Incorporated (MQHOA) who would be responsible for all the Boat Haven assets. Caveats were required to be placed on the titles.

A request by the MQHOA was made to the City to take responsibility of the Boat Haven assets and both parties agreed on the basis that the SAR would be based on whole of life costs. The SAR was introduced following formal resolution by Council in July 2001 (confirmed in the City's letter dated 9 August 2001). The intent was to transfer responsibility for the marina from MQHOA to the City as requested by the MQHOA given the impacts of land dealings associated with the caveats on properties. This information is documented in both the Special Council Meeting minutes of 31 July 2001 and the Ordinary Council Minutes of 20 March 2001 reports and minutes.

The financial structure of the SAR was based on a "whole of life" cost model, inclusive of reserves for infrastructure upkeep such as seawalls and dredging. The reserve has been accruing accordingly. Operating costs include the maintenance of the marina such as water quality testing, hydro surveys, litter control and minor maintenance of the walls. The reserve is used for any major maintenance and replacement of marina walls.

The SAR does not fund the maintenance expenses for the pavement, garden beds and lighting along the public access way.

Mariners Cove – rate in the dollar $0.00067

This is levied on all canal frontages on the Mariner Cove canals. The purpose of the rate is for owners to make a reasonable contribution toward maintaining and managing the canals in accordance with the Artificial Waterways Policy – Canals and Core Management Group.

The SAR is to cover the proposed expenditure of canal water quality testing, canal management fee, canal hydrographic survey costs and litter control. In the 2022/23 financial year, no SAR was charged due to sufficient funds held in Reserve to offset the required annual expenditure. Due to no funds remaining in the Reserve, the properties are now required to pay the SAR.

Note: All owners are required to maintain/replace the canal walls on their land.

Port Bouvard Eastport Canals - rate in the dollar $0.00128

This is levied on all canal frontages on the Eastport canals. The purpose is to recoup the costs of litter removal from the canal waterbody together with the costs of water quality testing, canal management fee, surveying and minor maintenance.

Note: All owners are required to maintain/replace the canal walls on their land.

Port Bouvard Northport Canals – rate in the dollar $0.00220

This is levied on all canal frontages on the Northport canals. The purpose is to recoup the costs of litter removal from the canal waterbody together with the costs of water quality testing, canal management fee, surveying and minor maintenance/canal cleaning.

Note: All owners are required to maintain/replace the canal walls on their land.

Port Mandurah Canals – rate in the dollar $0.00399

This is levied on all canal frontage properties located within the defined area of Port Mandurah Canals. The purpose of the rate is for owners to make a reasonable contribution toward maintaining and managing the canals in accordance with the Artificial Waterways Policy – Canals and Core Management Group. The SAR proposed expenditure includes litter control, hydrographic survey, water quality monitoring, canal management fees, contribution to the Port Mandurah Residents Association and transferring funds into the dredging reserve for when the constructed depths exceed the tolerance limits and dredging is required.

The defined area has been identified within the Government Gazette published 23 June 1995 as Schedule B in the City of Mandurah (Specified Area) Order No.1.

Note: All owners are required to maintain/replace the canal walls on their land.

Invitation of Submissions

The community is now invited to make submissions on the proposed differential rates, and any related matters.

Submissions must be in writing and can be made via the following methods:

Mail: PO Box 210 Mandurah WA 6210
Email: council@mandurah.wa.gov.au
Engagement platform: Mandurah Matters website

The City of Mandurah Statement of Object and Reasons for Imposing Differential Rates for 2025/2026 will be available on the City of Mandurah website.

Closing date for submissions is 19 June 2025 at 5pm. Following this closing date, Council will be presented with all submissions.