



2024/25 ANNUAL BUDGET

EXECUTIVE SUMMARY

The 2024/25 annual budget is presented herewith for formal consideration by the Council.

The budget is informed by the Council's strategic planning documents and has been guided in its development by Elected Member workshops in May and June, ensuring it is aligned to community's key goals and objectives.

Through the budget, the City will continue to provide a broad range of services and facilities to a growing and diverse community, providing for the integration of environmental, economic and social advancement opportunities across the district.

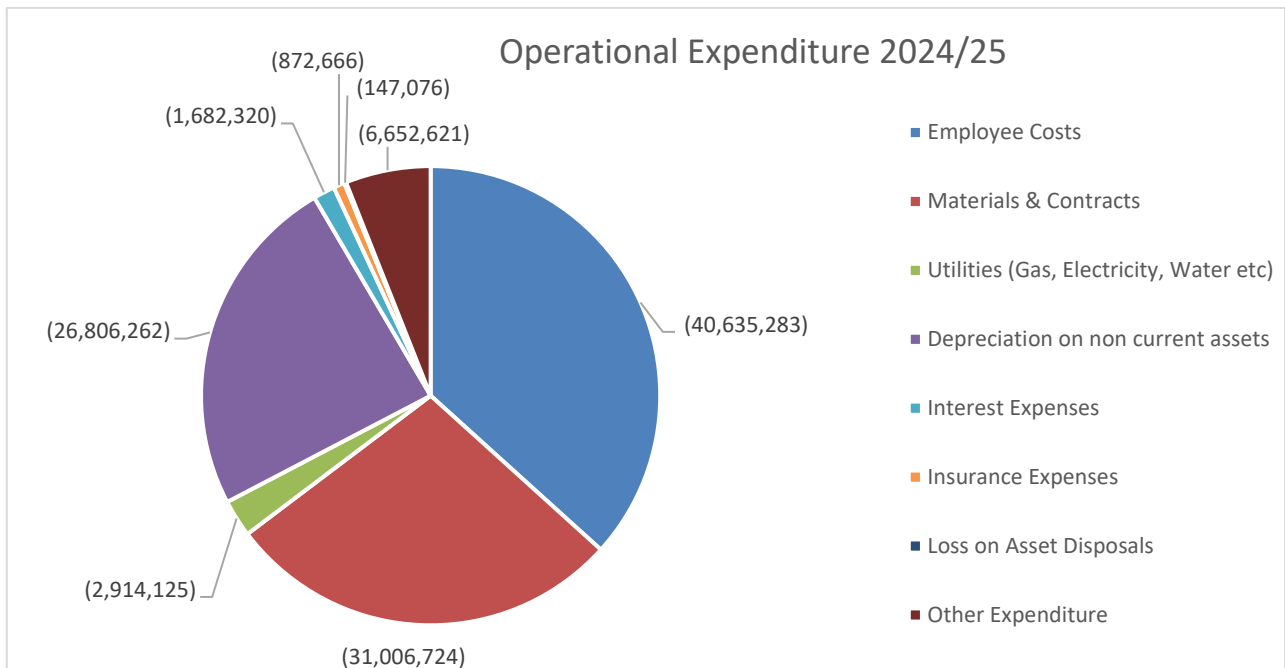
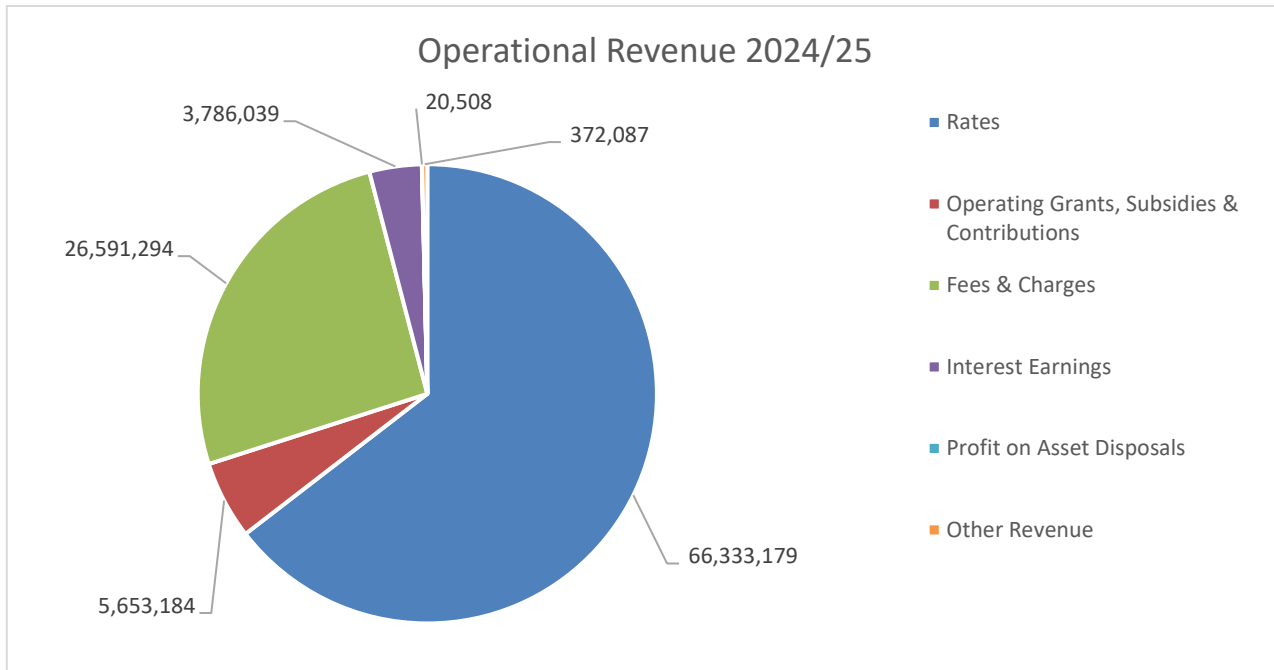
The budget not only considers short term financial obligations but is developed in a manner that recognises and makes provision for long term financial commitments. The City has a large number of community assets to continually maintain – buildings, parks, reserves, ovals, playgrounds, roads, footpaths, drainage, coastal infrastructure and more – and the budget continues to provide for future renewal of assets as per asset management planning, as well as the future delivery of improved infrastructure, including through the allocation of 1% of rates to a new reserve fund for future sporting and recreation infrastructure.

As such the budget presented encapsulates the anticipated priorities and desires for the City and its residents over the next twelve months, whilst also continuing to provide a solid platform by which the City's future financial sustainability can be further built upon.

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Operations

The following provides a high-level overview of operational Revenue and Expenditure included in the 2024/2025 Budget:

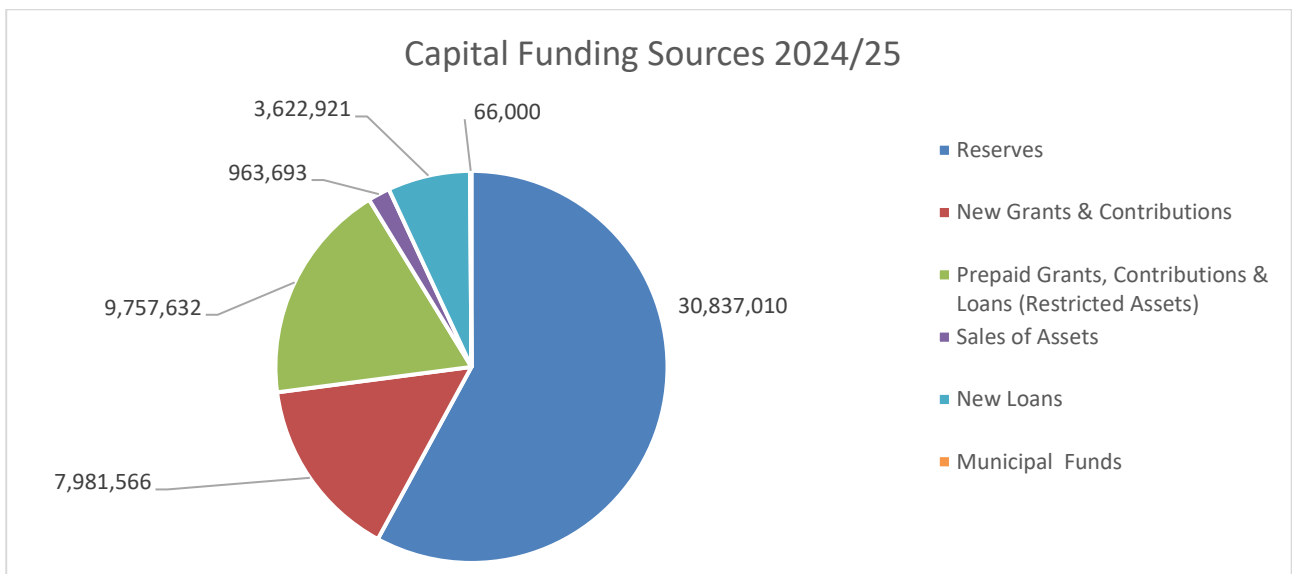
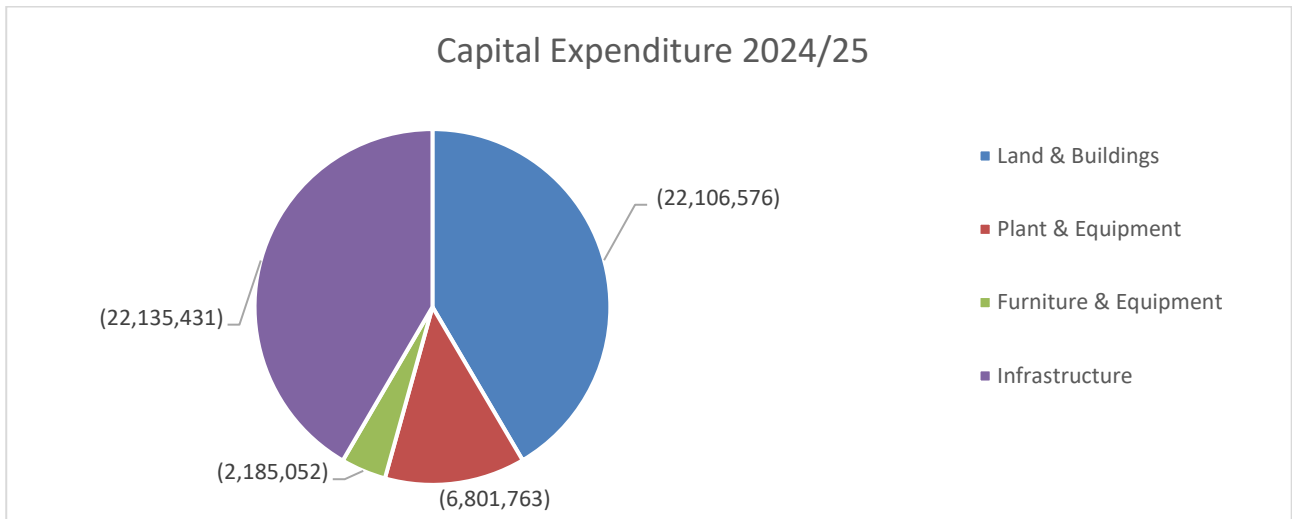


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Capital Acquisitions and Construction

In addition to budgeted operating expenditure of \$110.7M, a further \$53.2M has been earmarked for capital activities in 2024/25. This is summarised by asset class as follows:

• Infrastructure	\$22.1M
• Land and Buildings	\$22.1M
• Plant and Equipment	\$6.8M
• Furniture and Office Equipment	\$2.2M
TOTAL	\$53.2M



A detailed listing of the capital acquisitions and construction projects is provided within the budget document.

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Borrowings

The 2024/25 annual budget includes \$3.873M in proposed new borrowing, for the following purposes:

⇒ Community Groups Self Supporting Loans (\$250K)

\$250k has been included in the budget for provision of loan funding to other community groups, enabling them to borrow funds at lower interest rates through support of the City. Liability for the repayment of the loans remains with the community group. These loans are considered on request.

⇒ Strategic Land Purchases (\$3.62M)

Strategic land purchases will be partly funded by loan borrowings. \$1.75M has been carried over from the 2023/24 financial year, as settlement for the acquisition of the land will not occur until the 2024/25 year, at which point the loan funding will be drawn down.

Rating

The Council endorsed its Long-Term Financial Plan 2022 – 2032 in April 2022, at which time a rate increase of 3.5% was forecast for 2024/25. Economic conditions have changed significantly since then and a rate increase of 7% has been applied to assist with balancing the budget, providing for the City's ability to effectively maintain its existing facilities and infrastructure, and uphold current service levels.

The increase reflects the current cost pressures facing the City in delivery of its services, with the following factors impacting:

- Persistently high CPI wage price index resulting in increases to materials, contracts, labour and insurances.
- The compounding adverse effect on the rates base of the 0% increase in the COVID year of 2020, plus the subsequent years of smaller increases than the prevailing CPI rates and wage increases;
- Growth in the City's asset base with asset management planning indicating the continued need to set aside funding into reserves for these purposes;
- The introduction of a new reserve, with 1% of the rates increase set aside for the development of new sport and recreation infrastructure and facilities, something the community has highlighted as a key priority.

The budget predicts an amount of \$66M will be raised via rates.

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The budget maintains the differential rating categories. These are established in accordance with section 6.33 of the *Local Government Act 1995*.

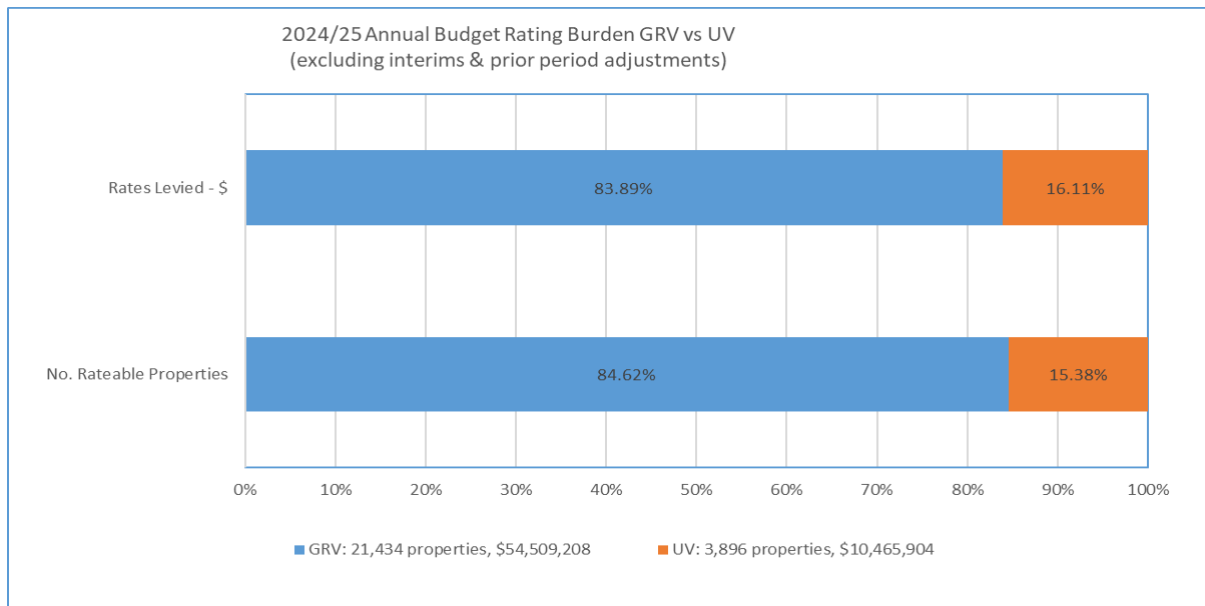
Revaluations

The standard annual revaluation of Unimproved Valuations (UV) has been completed by Landgate Valuation Services (LVS) and will be effective from 1 July 2024. There are no significant UV valuation changes evident.

Both Unimproved and Gross Rental Valuations determine the distribution of total rate burden between Ratepayers. Whilst Council can control the total amount of rates to be collected, it is unable to determine what an individual property valuation will be and therefore what rate amount it will contribute.

Where a properties UV or GRV valuation has increased then the overall rate may increase above the proposed 7% increase. Conversely where a properties UV or GRV valuation has decreased then the overall rate increase will usually be less.

Further valuation information can be obtained www.landgate.wa.gov.au/valuations





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Waste Charges

Increases in waste charges have been kept to a minimal amount. Below are details of this increase:

Charge Type	2023/2024	2024/2025	Increment
Refuse Removal Commercial	\$183.40	\$190.55	\$7.15
Refuse Removal Domestic	\$183.40	\$190.55	\$7.15
Recycling Fees - Domestic	\$89.40	\$92.90	\$3.50
Recycling Fees - Commercial	\$89.40	\$92.90	\$3.50

Waste Avoidance and Resource Recovery Act Charges (WARR Act)

There has been an increase in the WARR Act charge from \$87.50 to \$100.

This has been applied to ensure the fees adequately cover the requirements to manage and remediate landfill sites.

In conclusion it is considered that the budget represents value for the ratepayers of the district in what continue to be challenging economic conditions. As such, the budget is recommended for approval.

Anthony Nottle
Chief Executive Officer