



NOTICE OF MEETING

**SPECIAL MEETING OF COUNCIL
CONSIDERING**

**Long Term Financial Plan, Financial Position and
Performance Policy and Notice of Intention to Impose the
2024 -2025 Differential Rates and Minimum Payments**

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

Tuesday 21 May 2024 at 5.30pm

CASEY MIHOVLOVICH
Chief Executive Officer
17 May 2024

AGENDA

1. OPENING OF MEETING AND ANNOUNCEMENT OF VISITORS

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. 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.

8. DECLARATIONS OF FINANCIAL, PROXIMITY AND IMPARTIALITY INTERESTS

9. 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

10. REPORTS

No.	Item	Page No	Note
1	Adoption of 2025-2034 Long Term Financial Plan and Council Financial Position and Performance Policy	1 – 64	Absolute Majority required
2	Notice of Intention to Impose the 2024/25 Differential Rates and Minimum Payments	65 - 84	Absolute Majority required

11. CONFIDENTIAL ITEMS

Nil

12. CLOSE OF MEETING

1	SUBJECT:	Adoption of 2025-2034 Long Term Financial Plan and Council Financial Position and Performance Policy
	DIRECTOR:	Business Services
	MEETING:	Special Council Meeting
	MEETING DATE:	21 May 2024

Summary

At the Council Meeting of 23 April 2024, the Long Term Financial Plan 2025-2034 (LTFP) and the new Council Financial Position and Performance Policy POL-FCM08 (Policy) were adopted by Council for the purposes of advertising.

The LTFP is a 10-year forecast of Council's financial performance and position based on its strategic plans, anticipated service levels and social and economic indicators. The Plan provides guidance to support Council decision making and confirm Council's financial capacity to deliver services, maintain assets and achieve its strategic objectives in a financially sustainable manner.

The Policy demonstrates Council's commitment to financial stewardship by exercising responsible oversight and management to meet the current and future needs of the community. The Policy provides key principles which provide transparency to the community and guides City officers in their performance of their functions.

The LTFP and Policy has been developed over the course of the financial year and its development has been guided by Council through a series of Elected Member workshops.

Following this advertising period, Council is now requested to adopt the Long Term Financial Plan 2025-2034 (refer Attachment 1.1) and the Council Financial Position and Performance Policy POL-FCM 08 (refer Attachment 1.2).

Disclosure of Interest

N/A

Previous Relevant Documentation

- G.6/4/24 23 April 2024 2025-2034 Long Term Financial Plan for adoption

Background

The review of the City's Long Term Financial Plan has progressed over the course of the financial year and through a series of Council workshops.

In addition, an Elected Member Strategic workshop was held in March 2024 to further develop and refine the strategic financial policy principles. All plans and decisions with financial implications are presented to a Finance Implications Briefing workshop prior to Council considering the item at a Council Meeting.

At the Council Meeting held on 23 April 2024, Council adopted the LTFP and draft Financial Position and Performance Policy for advertising.

Comment

The Long Term Financial Plan (Plan or LTFP) is critical to Council's financial planning process. It underpins the long term financial sustainability while meeting the needs and expectations as identified in the City of Mandurah Strategic Community Plan.

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 Corporate Business Plan 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 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.

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.

Key Highlights

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

- \$407.05 million in capital expenses across the Plan;
- \$1.39 billion in operating expenditure over the Plan (excluding depreciation);
- For 2024/2025 Financial Year a rate increase of 3.98% in year 1, CPI + 0.68% from year 2 onwards and an average of 0.69% growth in rates per year resulting in an additional \$45.01 million in revenue over the Plan;
- Loan borrowings of \$57.35 million over the Plan resulting in a total liability of \$25.47 million (decrease of \$3.47 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.

Assumptions

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

- Level of service remains at the same level as the 2023/2024 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 within the Plan being CPI plus 0.68%;
- 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.

New Capital

Key new capital projects included in the Plan include:

- New Operations Centre
- Completion of Dawesville Community Centre
- Completion of Eastern Foreshore project
- Civic Precinct Building Air Conditioning Replacement
- Stingray wall replacement/upgrade
- Port Bouvard Rec and Sporting Club Refurbishment
- City Centre Streetscape Upgrades
- Greenfields Community Centre extension
- Soldiers Cove Seawall Replacement
- Yalgorup National Park projects
- Coodanup Foreshore Upgrade
- Blue Bay Foreshore Upgrade
- Dawesville Foreshore Upgrade
- Halls Head Foreshore
- Lakelands Youth Park
- Dawesville Youth Park

Update to LTFP

Following advertising of the LTFP, City officers have undertaken a further review of the Plan, focussing on the Capital Program in Year 1. City officers have further examined the Capital Projects listed for completion in Year 1 and in consideration of program timing, available resources and priorities, the Capital Program being reduced by \$5.6 million. The Capital Program for Year 1 is now \$39.4 million.

To reflect the reduction of the Capital Program, loan borrowings in Year 1 were reduced from \$8 million to \$4.6 million. A summary of the decreases to loan borrowings is below:

- Road Program – decrease of \$1,500,000
- Cycle Path program – decrease of \$1,500,000
- Boardwalks Renewal – decrease of \$350,000

Efficiency Target

An efficiency target of \$250,000 has also 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.

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

Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
250,000	500,000	750,000	1,000,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,500,000

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).

A summary of the key ratios is below:

Asset Sustainability Ratio

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 nonfinancial 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 3.98% increase to rates.

The same strategy for improving the Asset Sustainability Ratio will also improve the Operating Surplus Ratio (outlined below) 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.



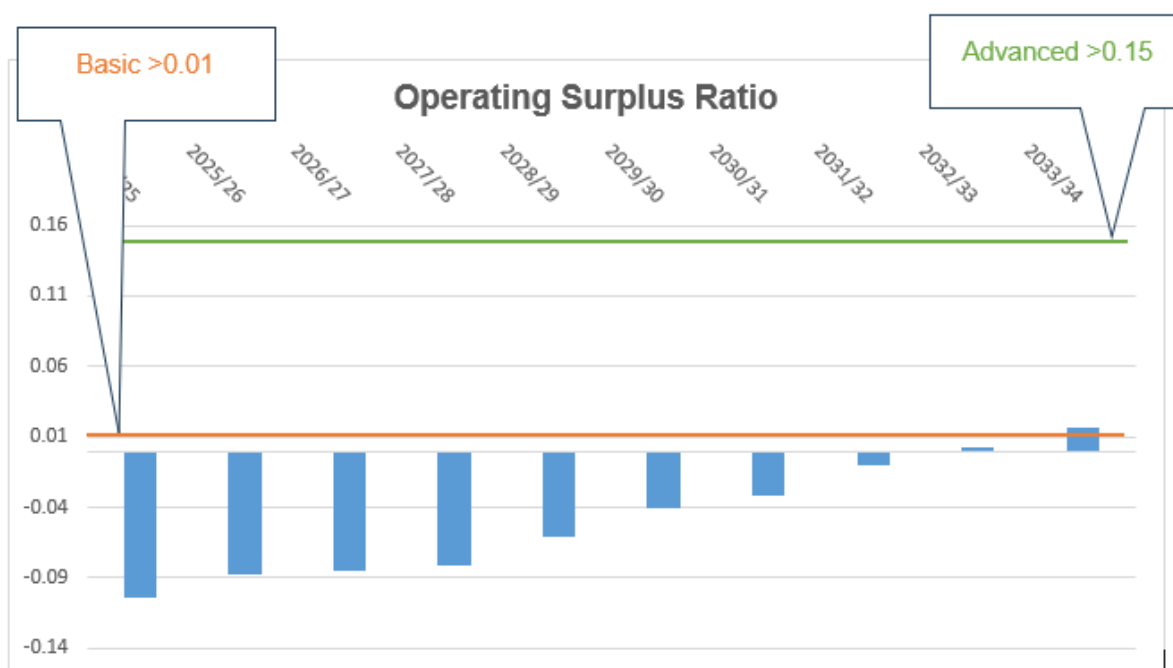
Operating Surplus Ratio

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.

The City is utilising new loan funding and reserve account funds to maintain its capital program. This will result in increased repayment costs in later years of the Plan and decreased reserve funds available. This is not considered sustainable in the long term. However through the proposed rating strategy, the City is able to improve the Operating Surplus Ratio over the 10-year Plan.



Rates Modelling

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
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
97,730,564	102,108,547	106,167,322	110,276,333	114,539,316	118,961,909	123,549,952	128,309,495	133,246,807	138,368,381
3.98%	3.78%	3.28%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%

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 2024 to 2027. 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		
	2024/25	2025/26	2026/27	2027/28	1 Year Impact	5 Year Impact	10 Year Impact
Proposed plan	3.98	3.78	3.25	3.18	\$3.70M	\$53.27M	\$197.96M
1% more than proposed	4.98	4.78	4.25	4.18	\$4.63M	\$68.87M	\$263.55M
1% less than proposed	2.98	2.78	2.25	2.18	\$2.78M	\$37.98M	\$135.90M

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

Financial Position and Performance Council Policy

Following extensive consultation with Elected Members, a draft Council Financial Position and Performance Policy (Policy) (refer Attachment 1.2) has been developed for Council’s consideration. The Policy provides direction to City officers in the performance of their functions and provides guidance to Council when adopting the Annual Budget and LTFP.

The Policy objectives are to:

- Ensure adequate funding is available to provide efficient services to the community;
- 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.

The Policy includes the following key Principles:

- Accountability Principal Financial decision making must be accountable, transparent, equitable and benefit the community as a whole.
- Borrowing Principal Loans for the acquisition or construction of capital projects are to be considered where the criteria is met.

Asset Renewal Principal	Asset renewals must have a higher priority than the creation of new assets
Rating Principal	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 Principal	Revenue opportunities will be identified and pursued
Efficiency Principal	Resources must be efficient, prioritised and optimised in service delivery for the community.

Should Council endorse this Policy it is recommended that the Policy be reviewed alongside the LTFFP each year.

Consultation

Council approved the LTFFP and Policy for advertising at the Council Meeting on 23 April 2024. The LTFFP and Policy were advertised on the City of Mandurah engagement platform Mandurah Matters for a period of 17 days. The City received 5 submissions. Refer to Attachment 1.3 which provides the submission information and the City's response.

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

Nil

Financial Implications

The LTFFP is the key financial planning and financial sustainability document for the City. It helps inform Council's strategic decision making with respect to City services, capital investment and rates setting. It also sets the basis for the preparation of the 2024/2024 Annual Budget.

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 Long Term Financial Plan 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 Long Term Financial Plan and for any future decisions, an analysis of the impact to the Long Term Financial Plan is undertaken.

Strategic Implications

The following strategy from the City of Mandurah Strategic Community Plan 2020 – 2040 is relevant to this report:

Organisational Excellence:

- Ensure the City has the capacity and capability to deliver quality services and facilities through accountable and transparent business practices.

Conclusion

The LTFP is presented as a baseline to establish an initial position to model various scenarios and assumptions around growth and strategy. In conjunction with other informing plans and strategies, it assists the Council with important decisions on resource allocation, that ultimately deliver on the outcomes set out in the Strategic Community Plan.

NOTE:

- Refer **Attachment 1.1 Long Term Financial Plan 2025-2034**
Attachment 1.2 Council Financial Position and Performance Policy POL-FCM 08
Attachment 1.3 Community Submissions

RECOMMENDATION

That Council:

1. **Adopt the City of Mandurah Long Term Financial Plan 2025-2034, as detailed in Attachment 1.1.***
2. **Approve the Council Financial Position and Performance Policy POL-FCM 08 as detailed in Attachment 1.2.**
3. **Notes the community submissions on the Long Term Financial Plan as per Attachment 1.3.**

ABSOLUTE MAJORITY REQUIRED



Long Term Financial Plan 2025 - 2034

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Overview

The Long Term Financial Plan (Plan or LTFP) 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.

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:

- \$407.05 million in capital expenses across the Plan;
- \$1.39 billion in operating expenditure over the Plan (excluding depreciation);
- For 2024/2025 Financial Year a rate increase of 3.98% in year 1, CPI + 0.68% from year 2 onwards and an average of 0.69% growth in rates per year resulting in an additional \$45.01 million in revenue over the Plan;
- Loan borrowings of \$57.35 million over the Plan resulting in a total liability of \$25.47 million (decrease of \$3.47 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* (the Act) requires a local government to plan for the future of the district, which takes the form of 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 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 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 for service delivery to the community.

2. Long Term Financial Planning Process

This Plan is consistent with all the requirements of the Act and the DLGSC guidelines on the development of long term financial management plans. An overview of the process utilised to develop and inform the Plan is outlined below:

2.1 Operating Baseline and Business Units

The City constructed a baseline for each business unit by using the 2023/2024 budget and removing one off expenditure to obtain a minimum level of revenue and expenditure that the City requires to operate the current service levels. 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.

2.2 New Operating and New Employees

The City identified new operating initiatives and increases to existing services, related to subdivision and population growth. The new operating expenditure also includes any identified additional operating costs associated with new capital projects.

It is important to ensure that the Chief Executive Officer is reporting to Council on whether the benefits that were included in the business case for funding of new operating and employees are realised.

It is a requirement that any temporary allocations of funding are reviewed 12 months prior to the date that the funding concludes and may be incorporated into the Service Review Framework via a business service review.

The New Operating Program is available in [Attachment Two](#).

2.3 Capital

The City's 10-year Capital Program details the capital asset programs that have an allocated budget and are referred to as a program. For example, Ablution New Program, Drinking Fountain New Program, Fencing Renewal Program or Playground Renewal Program.

Prior to the new financial year, 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 LTFFP.

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, once reviewed, will inform 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](#).

2.3.1 New Capital

Key new capital projects included in the Plan include:

- New Operations Centre
- Completion of Dawesville Community Centre
- Completion of Eastern Foreshore project
- Civic Precinct Building Air Conditioning Replacement
- Stingray wall replacement/upgrade
- Port Bouvard Recreation and Sporting Club Refurbishment
- City Centre Streetscape Upgrades
- Greenfields Community Centre extension
- Soldiers Cove Seawall Replacement
- Yalgorup National Park projects
- Coodanup Foreshore Upgrade
- Blue Bay Foreshore Upgrade
- Dawesville Foreshore Upgrade
- Halls Head Foreshore
- Lakelands Youth Park
- Dawesville Youth Park

2.4 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 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](#).

2.5 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 recommend that Council implement strategies over the next 10 years to improve the performance of these ratios.

2.6 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. The City will review these services from time to time and be committed to identifying efficiencies that will be included in the Plan when known.

The current service levels are as at the 2023/2024 Budget excluding:

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

These exclusions (consultants, contract positions, programs with an end life and one-off costs) have been removed from the baseline. 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.

2.7 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.

3. Influencing Factors and Assumptions

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

3.1 Our Community

The City of Mandurah spans 173 square kilometers, stretching 50 kilometers along the coast from Madora Bay and Lakelands in the north to Herron and Clifton in the south. The original inhabitants of the region were the Binjareb people of the Noongar Nation, and the area was referred to as Mandjoogoordap, meaning 'meeting place of the heart.' Following European settlement, the name evolved to Mandurah.

Geographically, Mandurah is situated 74 kilometers south of Perth by road and less than a 50-minute rail journey to Perth. Formerly one of Australia's fastest-growing cities, Mandurah witnessed remarkable growth from a coastal village of fewer than 2000 residents in 1954 to a city exceeding 99,000 in 2023. Presently, Mandurah ranks as the 11th largest local government in Western Australia in terms of population and stands as the largest regional city in WA. It was also named as Australia's Top Tourism Town in 2023.

3.2 Assumptions

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

Factor	Details
Superannuation	Superannuation increasing from 11% in 2023/2024 to 12% in 2025/26 and maintaining that level for the rest of the Plan.
Population and growth	Population as of June 2023 is 99,272 and is expected to increase to 126,637 by 2034. This is a 27.57% increase over the Plan.
Property growth	Dwellings in June 2023 totaled 43,736 and are expected to increase to 54,947 by 2034. This is an increase of 25.56% over the Plan.
Consumer Price Index (CPI)	Reserve Bank of Australia has forecast CPI to be 3.30% in 2024/2025. It is projected to decrease to 3.10% in 2025/2026, 2.60% in 2026/2027 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 Electricity and Street Lighting of 2.5%.
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 current interest rates of 6.0%.
Interest Income	Interest rates for interest income are set at 5.0%.

3.3 Revenue Escalation

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

Revenue Escalation	Details
Rates	<ul style="list-style-type: none"> Rates revenue will increase by \$45.01 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	<ul style="list-style-type: none"> Increase by 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 CPI.
Interest Earnings	Reflects current interest rates received for term deposits.
Other Revenue	Increase by CPI.

3.4 Expenditure Escalation

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

Expenditure Escalation	Details
Employee Costs	<ul style="list-style-type: none"> • Salaries – The City’s current Industrial Agreement (IA) has expired. As a result the City’s salary increase from March 2024 was 5.01%. The City continues to negotiate and future EA agreements will be included in future revisions of the plan. In place of any formal EA agreement the City has assumed increases based on CPI. • Vacancy Rate – The City estimates a vacancy rate of 10% in year 1, 8% in year 2, 6% in year 3 and 5% thereafter. Current vacancy rate estimates for the 2023/2024 year are between 10-15%. • 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. • 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 CPI.
Refuse Charges, Tipping Fees and Waste Management Expenses	In September 2024, it is assumed that the City will move its waste disposal to waste to energy. 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	The cost for electricity and street lighting has been projected to increase by 2.5% from year 1 to 4 and then 1.4% for the life of the plan based on WALGA estimates.
Depreciation	The depreciation projections reflect the baseline depreciation rate as well as the depreciation rates that have been adopted by Council. Depreciation is important to measure how much the City’s assets deteriorate in one year from the benefit and use by the community compared to how much investment it commits to in capital renewals.

Insurance	<ul style="list-style-type: none"> Excludes workers compensation (included in Employee Costs) Increase by CPI
Other Expenditure	Increase by CPI

4. Financial Position and Performance

This Plan demonstrates the commitment to financial stewardship by exercising responsible oversight and management to meet the current and future needs of the community. An overview of the key Financial Principles which support the City achieve financial sustainability is below:

4.1 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 5.5 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 LTFFP.

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 capital projects are repaid by revenue from waste charges.

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

[Table]

The recommended new loan borrowings per year is around \$5 million. The new borrowings are offset by the City's average annual repayment amount of \$5 million. Due to the challenging economic environment expected in the first five years of the Plan, the City expects to supplement rates income with higher levels of borrowing.

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

[Table]

4.2 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 \$1.52 billion of assets that it is required to maintain. The asset portfolio consists of:

- Buildings \$168.27 million
- Land \$93.52 million
- Furniture and Equipment \$3.09 million
- Plant and Equipment \$17.20 million
- Road Infrastructure \$612.72 million
- Drainage \$219.95 million
- Parks \$207.44 million
- Coastal and Estuary \$105.58 million
- Bridges \$68.30 million
- Other \$4.08 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 5.4 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.

4.2.1 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 fund renewal expenditure in the future or endorse the surplus to be allocated for a specific 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 5 of this Plan for further information on the City's performance against the DLGSC Ratios.

Council has the discretion to direct surpluses to other reserves. 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.

4.3 Rating Principle

The following criteria applies to the overall rating principle:

- Differential Rates apply ensuring that every landowner makes a reasonable contribution to rates;
- Specified Area Rates (SAR) 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 SAR are 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;
- Where applicable, Differential Rates and SAR 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;
- Subject to Council approval in the 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;
- Consideration of community capacity to pay 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 LTFP process;
 - Current economic climate and conditions including consideration of cost-of-living pressures for the community;
 - 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.

4.3.1 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.

4.3.2 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 characteristic 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.

4.3.3 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	<p>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.</p> <p>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).</p> <p>Note: That the City funds 100% of the maintenance of the emergency access ways.</p>
Port Mandurah Canals	<p>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.</p> <p>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).</p>
Mandurah Quay Canals	<p>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.</p> <p>The specified area rate was negotiated and introduced at the time of handover for management of Mandurah Quay by the City.</p> <p>The specified area rate includes the Marina wall replacement at the end of its useful life.</p>

Port Bouvard – Northport Canals	<p>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.</p> <p>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.</p>
Mariners Cove Canals	<p>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.</p> <p>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.</p>
Port Bouvard – Eastport Canals	<p>To recoup the costs of litter removal from the canal waterbody together with the costs of water quality testing, management, surveying, and minor maintenance.</p> <p>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.</p>
Mandurah Ocean Marina	<p>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.</p>

4.3.4 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.

4.3.5 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 (poor, aged and impotent).
- 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 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.

4.3.6 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;
- 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
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
97,730,564	102,108,547	106,167,322	110,276,333	114,539,316	118,961,909	123,549,952	128,309,495	133,246,807	138,368,381
3.98%	3.78%	3.28%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%

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 2024 to 2027. 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		
	2024/25	2025/26	2026/27	2027/28	1 Year Impact	5 Year Impact	10 Year Impact
Proposed plan	3.98	3.78	3.25	3.18	\$3.70M	\$53.27M	\$197.96M
1% more than proposed	4.98	4.78	4.25	4.18	\$4.63M	\$68.87M	\$263.55M
1% less than proposed	2.98	2.78	2.25	2.18	\$2.78M	\$37.98M	\$135.90M

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:

4.3.7 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. Whilst most multi-term contracts of provision of service, program or infrastructure refers to 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 enterprise 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 3.1% for the 2024/2025 year. This LTFP has also used certain components such as Utilities (estimated at 2.5% increase for 2024/2025) and Insurance (estimated at 4.1% for 2024/2025). 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 detail 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.

4.3.8 Community Capacity to Pay

The capacity of the local community to pay has, in broad terms, eroded over the past few years. Price increases, as measured by change in the CPI, have exceeded average wage growth in Western Australia by more than double since June 2021. This has created cost of living pressures for many in the community.

Housing costs are a key driver these pressures. Rising interest rates and tight rental markets have led to housing costs in Perth rising by 5% in the year to December 2023. While the average rate payment accounts for a very small proportion of average household income, increases in the rates can often compound affordability issues, particularly within households where a large proportion of income goes on essential goods and services.

Forecasts indicate that high rates of inflation are declining and the gap between CPI and wage growth will diminish over the period of the LTFP. CPI inflation is expected return closer to the Central Bank target of between 2 to 3 percent by 2026.

4.3.9 Reserves

The City's reserve balances as at 30 June 2024 are estimated to total \$53.93 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.

<p>Bushland and Environmental Protection - For the purchase & protection of bushland and environmentally sensitive sites within the City</p>	<p>Reserve capped at \$1.5 million – contribution to reserve (if not at the cap) is \$200,000 per year.</p>
<p>Coastal Storm Contingency - Provide for coastal emergency works due to storm damage</p>	<p>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.</p>
<p>Digital Futures - Fund development, investigation or commissioning of digital technology initiatives.</p>	<p>Reserve to be reviewed and future funding requirements presented in future reviews of the Plan</p>
<p>Decked Carparking - Amount received from Landcorp in June 2006, set aside for Decked Carparking</p>	<p>This is a cash in lieu amount and has been created for a set purpose. No further contributions are recommended.</p>
<p>Sport Clubs Maintenance Levy - To maintain various city buildings leased to clubs</p>	<p>The amount aligns to the lease agreements and reduces the City's contribution to repairing or replacing items in these buildings.</p>
<p>City Centre Land Acquisition Reserve - For future property purchases within the City Centre area</p>	<p>A review of properties to be funded from this reserve is currently being undertaken.</p>
<p>Lakelands Community Infrastructure Reserve - Contribute to the construction of the community infrastructure on Lot 2300 Seppings Parade Lakelands</p>	<p>This is a cash in lieu amount and has been created for a set purpose. No further contributions are recommended.</p>
<p>Plant reserve - Replacement of heavy plant and equipment</p>	<p>Capital expenditure on plant and equipment is approximately \$2.6 million per year. No transfers to reserve are included in the Plan.</p>
<p>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.</p>	<p>Reserve to increase to LGIS suggested reserve balance for Workers Compensation. Reviewed annually.</p>
<p>Restricted Cash Reserve</p>	<p>Restricted cash carried forward for future use.</p>

Community Safety	To fund the relevant actions in the Community Safety Strategy that have been identified as being funded from this reserve.
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4.4 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 5.6 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 should aim to recover the full economic cost of providing the service.

4.5 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.

An efficiency target of \$250k has been incorporated into Year 1 of the Plan, which will achieve a permanent reduction of \$250k to operating expenditure each year, resulting in \$2.5million in permanent savings over the ten year Plan.

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
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
250,000	500,000	750,000	1,000,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,500,000

5. 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

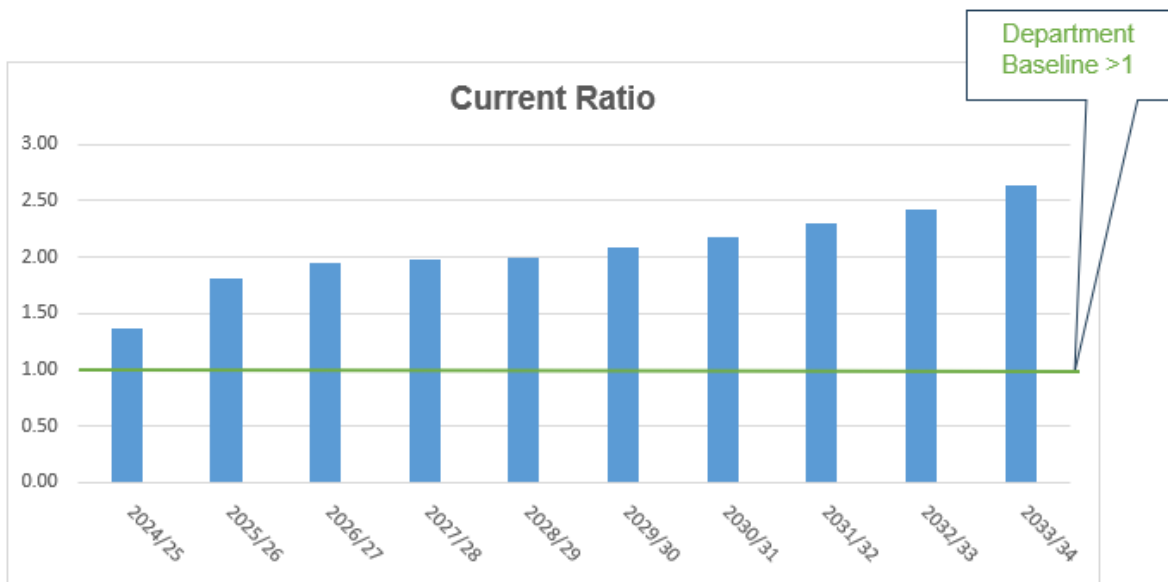
- Asset Sustainability Cover Ratio
- Debt Service Ratio
- Operating Surplus Ratio
- Own Source Revenue Ratio

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:

5.1 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.

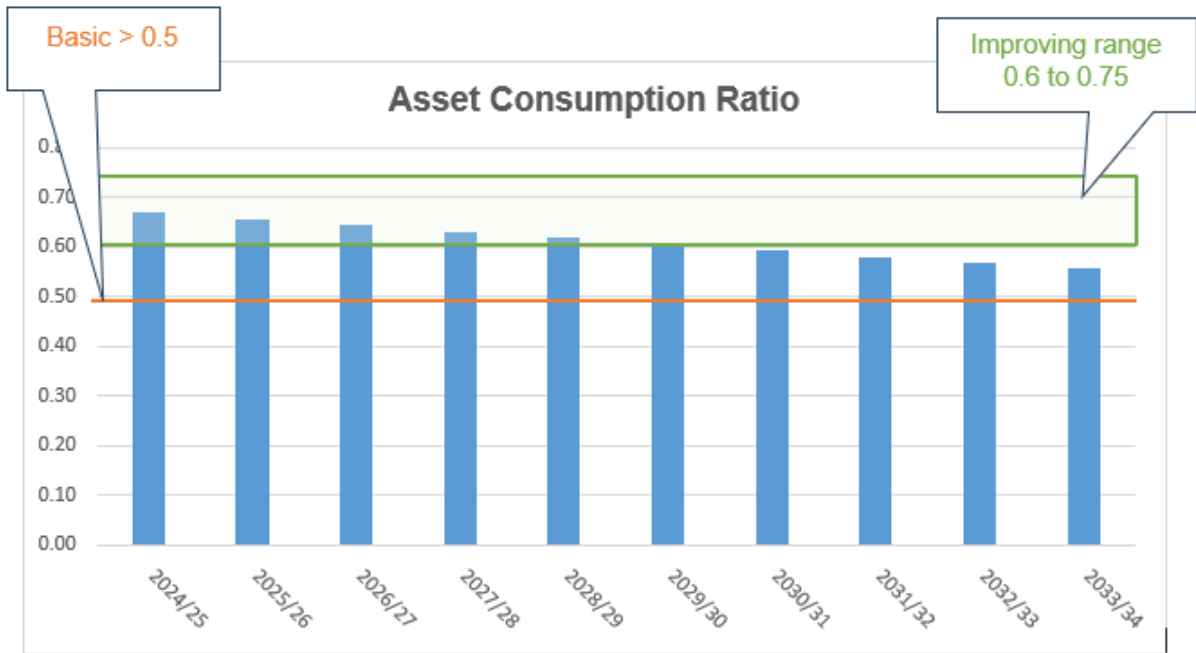
The standard is not met if the ratio is lower than 1:1 (less than 100%) The standard is met if the ratio is greater than 1:1 (100% or greater). A ratio less than 1:1 means that a local government does not have sufficient assets that can be quickly converted into cash to meet its immediate cash commitments. 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



5.2 Asset Consumption Ratio

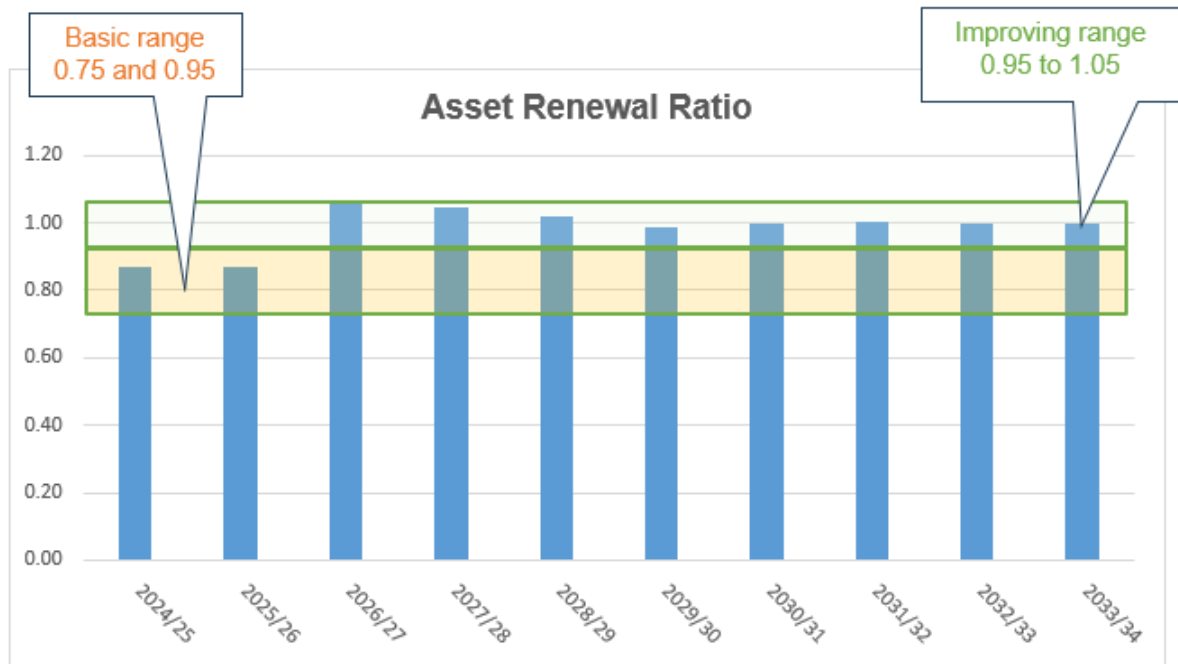
This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost. This ratio seeks to highlight the aged condition of a local government's stock of physical assets. If a local government is responsible for maintaining and renewing/replacing 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).



5.3 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%.



5.4 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.

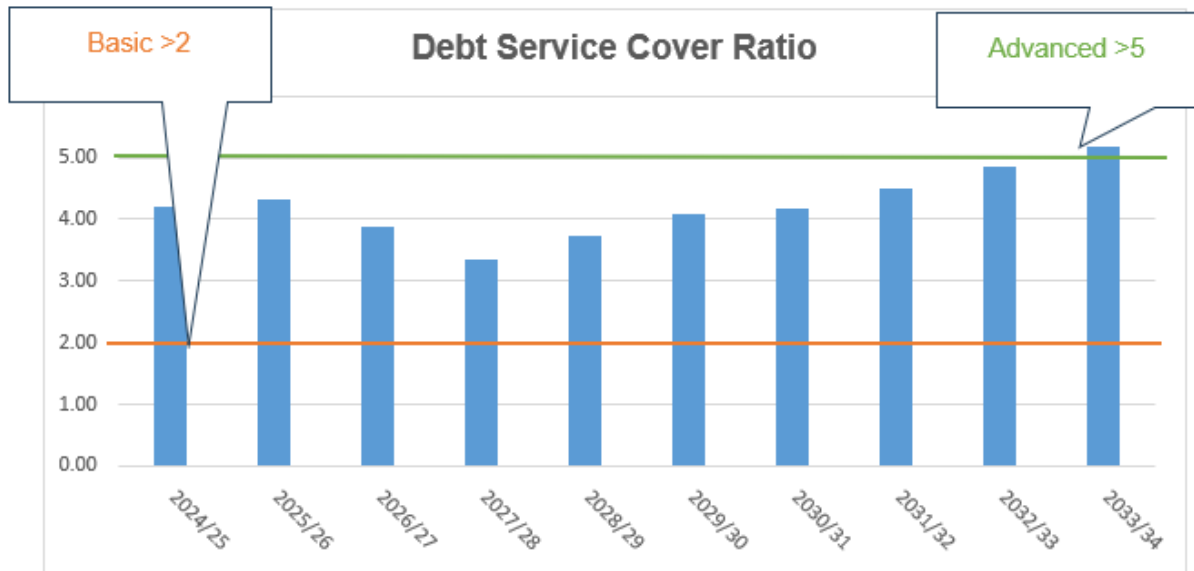
Standard is met if the ratio can be measured and is 90% (or 0.90) Standard is improving if this ratio is between 90% and 110% (or 0.90 and 1.10).



5.5 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.

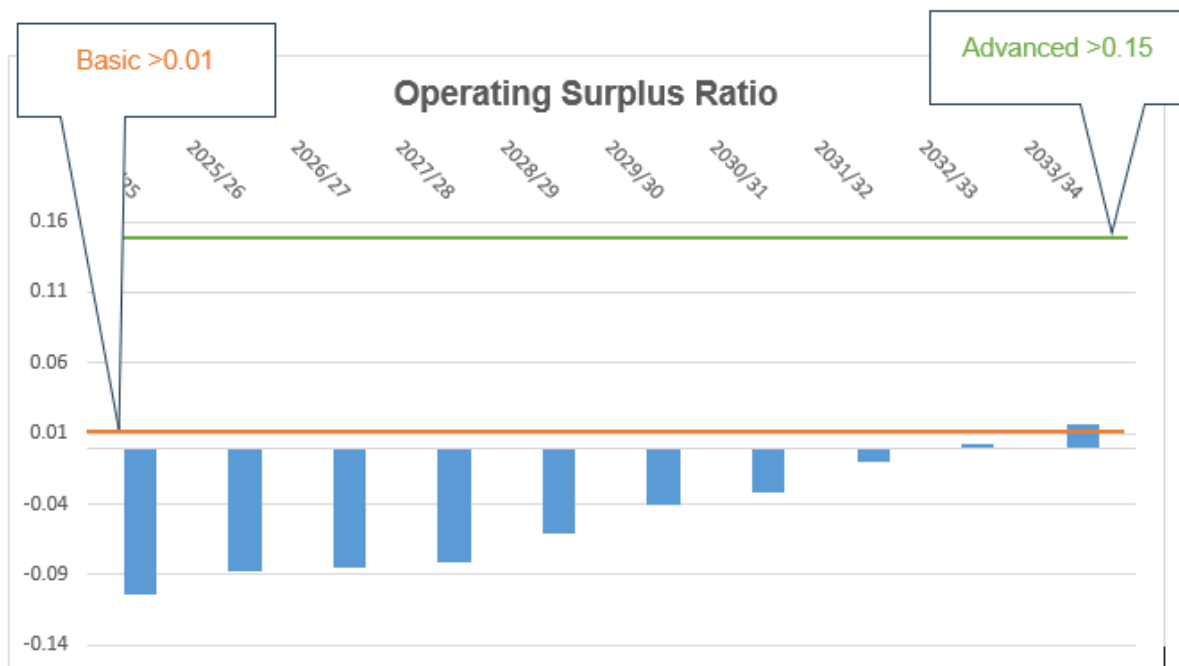


5.6 Operating Surplus Ratio

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.

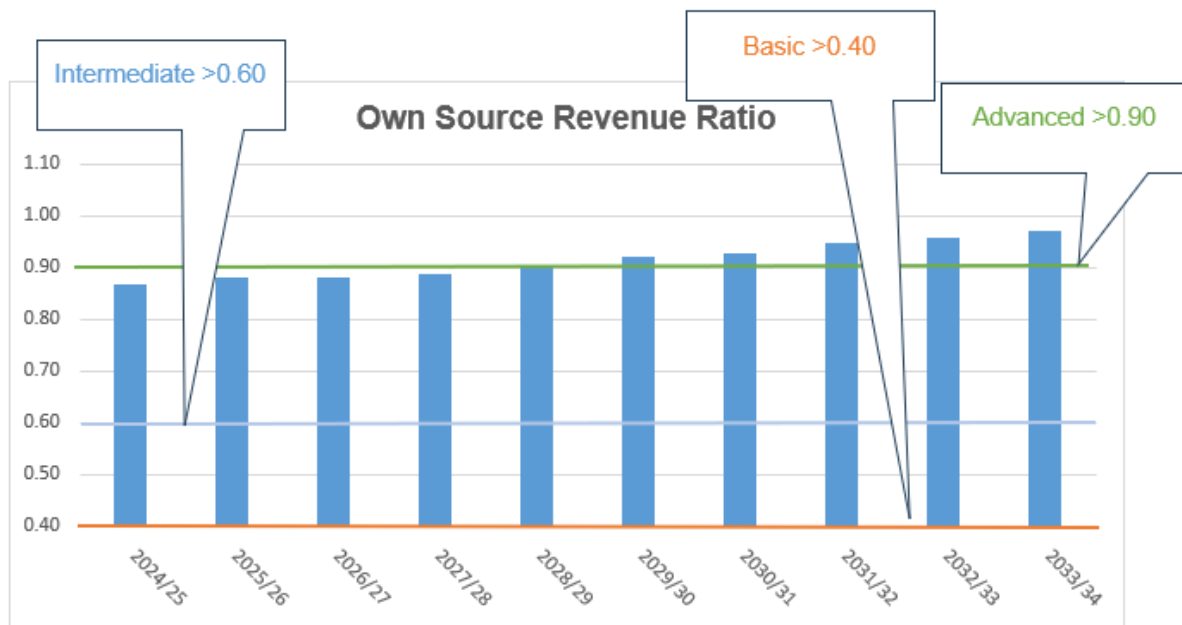
Basic Standard between 1% and 15% (0.01 and 0.15) Advanced Standard > 15% (>0.15).



5.6 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).



6. 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.

7. 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**

LTFP Summary

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Funding Surplus / (Deficit)	600,000	(504,280)	(504,279)	(504,279)	(504,279)	(504,279)	(504,279)	(504,279)	(504,279)	(504,279)
Operating Income										
Rates	97,730,564	102,108,547	106,167,322	110,276,333	114,539,316	118,961,909	123,549,952	128,309,495	133,246,807	138,368,381
Operating grants, subsidies and contributions	6,680,359	6,887,450	7,066,523	7,243,187	7,424,266	7,609,873	7,800,120	7,995,123	8,195,001	8,399,876
Other income	79,160	81,613	83,735	85,829	87,975	90,174	92,428	94,739	97,107	99,535
Fees & Charges	34,020,279	35,074,907	35,986,855	36,886,526	37,808,690	38,753,907	39,722,755	40,715,823	41,733,719	42,777,062
Interest Earnings	3,873,750	3,993,836	4,097,676	4,200,118	4,305,121	4,412,749	4,523,068	4,636,144	4,752,048	4,870,849
Profit on disposal of assets										
Operating Income Total	142,384,111	148,146,354	153,402,112	158,691,992	164,165,367	169,828,611	175,688,322	181,751,325	188,024,682	194,515,702
Operating Expenses										
Direct Employee costs	(55,332,665)	(57,390,761)	(60,123,431)	(63,770,567)	(64,810,967)	(65,736,194)	(67,503,199)	(69,314,380)	(71,170,841)	(73,073,712)
Materials and Contracts	(59,703,300)	(61,170,963)	(63,411,258)	(64,333,673)	(65,901,313)	(67,447,238)	(70,081,069)	(72,656,432)	(74,475,682)	(74,475,682)
Utilities	(4,744,188)	(4,862,792)	(4,984,362)	(5,054,143)	(5,124,901)	(5,196,650)	(5,269,403)	(5,343,175)	(5,417,979)	(5,493,831)
Depreciation	(34,415,530)	(34,749,685)	(35,087,182)	(35,428,053)	(35,772,334)	(36,120,057)	(36,471,258)	(36,825,970)	(37,184,230)	(37,546,073)
Interest Expense	(926,706)	(1,070,757)	(1,264,800)	(1,515,834)	(1,493,833)	(1,467,848)	(1,435,403)	(1,375,322)	(1,305,765)	(1,211,091)
Insurance	(1,630,946)	(1,694,553)	(1,743,695)	(1,794,262)	(1,846,296)	(1,899,838)	(1,954,934)	(2,011,627)	(2,069,964)	(2,129,993)
Proposed Additional expenditure reduction	250,000	500,000	750,000	1,000,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,500,000
Other Expenses										
Loss on disposal of assets										
Operating Expenses Total	(156,503,334)	(160,439,512)	(165,864,728)	(170,896,532)	(173,699,643)	(176,367,625)	(180,964,966)	(183,457,553)	(187,559,210)	(191,430,381)
Non-cash amounts excluded from operating activities	34,415,530	34,749,685	35,087,182	35,428,053	35,772,334	36,120,057	36,471,258	36,825,970	37,184,230	37,546,073
Amount attributable to operating activities	20,296,306	22,456,527	22,624,566	23,223,514	26,238,058	29,581,043	31,194,613	34,819,742	37,649,703	40,631,394
Investing activities										
Non-operating grants, subsidies and contributions	14,459,475	11,447,354	9,095,369	8,025,750	12,429,089	8,083,749	9,242,066	7,548,882	7,389,083	7,110,591
Proceeds from disposal of assets	916,357	944,764	3,701,112	993,561	1,018,400	1,043,860	1,069,956	1,096,705	1,124,123	1,152,226
Payments for property, plant and equipment	(39,401,300)	(40,549,715)	(41,243,382)	(31,146,868)	(35,968,113)	(34,680,355)	(31,150,388)	(28,979,374)	(31,479,146)	(28,625,611)
Admin Overheads allocated to Capital	(2,023,059)	(1,824,737)	(1,855,952)	(1,401,609)	(1,618,565)	(1,888,696)	(1,888,696)	(1,888,696)	(1,888,696)	(1,888,696)
Additional renewal expenditure	(172,000)	(1,579,009)	(1,943,681)	(1,943,681)	(5,134,228)	(2,412,218)	(5,659,633)	(9,222,449)	(8,805,540)	(10,730,860)
Amount attributable to investing activities	(26,048,527)	(30,154,334)	(31,881,862)	(25,472,848)	(29,273,417)	(29,853,660)	(28,386,695)	(31,444,933)	(33,660,176)	(32,982,350)
Financing Activities										
Proceeds from new debentures	4,650,000	12,700,000	11,500,000	5,000,000	5,000,000	5,000,000	4,500,000	4,500,000	4,000,000	500,000
Unspent Loans Utilised										
Payment of lease liability	(1,145,072)	(1,167,973)	(1,191,333)	(1,215,160)	(1,239,463)	(1,264,252)	(1,289,537)	(1,315,328)	(1,348,211)	(1,381,916)
Proceeds from self-supporting loans										
Transfer from reserves	5,863,629	2,004,924	191,153	460,666	14,000	79,111	251,000	0	0	0
Asset Management reserve transfers	(595,550)	(1,562,197)	3,580,274	3,819,921	5,140,454	2,523,013	0	0	0	0
Repayment of debentures	(4,125,066)	(4,363,613)	(4,909,463)	(5,902,759)	(5,966,298)	(6,151,921)	(6,356,047)	(6,646,147)	(6,727,981)	(6,853,793)
Transfer to reserves	0	86,666	86,666	86,666	86,666	86,666	86,666	86,666	86,666	86,666
Amount attributable to financing activities	4,647,941	7,697,807	9,257,297	2,249,334	3,035,359	272,617	(2,807,918)	(9,374,809)	(3,989,526)	(7,649,044)
Closing Funding Surplus / (Deficit)	(504,280)	(504,279)	(504,279)	(504,279)	(504,279)	(504,279)	(504,279)	(504,279)	(504,279)	(504,279)
Surplus/(Deficit) no carry forward	(504,280)	0	0	(0)	(0)	0	0	(0)	(0)	0

**Attachment 2 - New Operating and Employees
New Employee Requests**

Proposal	Cost Centre	Project Priority	Project Funded By	Additional FTE Total	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Make current temporary position (2344) permanent full time. this position is currently seconded and funded from projects.	Project Management	1. Essential - The request is essential to the continued operation of the business (includes critical/urgent items)	City Funding Required	2.00	\$ 25,000.00	\$ 25,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Additional Senior Planner Position	Strategic Planning	3. Very Important - Makes a significant contribution to the community or organisation	City Funding Required	1.00	\$ 114,608.00	\$ 114,608.00	\$ 114,608.00	\$ 114,608.00	\$ 114,608.00	\$ 114,608.00	\$ 114,608.00	\$ 114,608.00	\$ 114,608.00	\$ 114,608.00
Additional 1.0 FTE Senior Landscape Officer - tactical asset management to Landscape Management team	Landscaping Services	4. Highly Desirable - Significant benefits expected but a discretionary item	City Funding Required	1.00	\$ 121,780.88	\$ 121,780.88	\$ 121,780.88	\$ 121,780.88	\$ 121,780.88	\$ 121,780.88	\$ 121,780.88	\$ 121,780.88	\$ 121,780.88	\$ 121,780.88
Casual budget to cover staff while on annual leave and to cover staff in the peak periods.	Rating Services	3. Very Important - Makes a significant contribution to the community or organisation	Savings in Baseline	0.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00
Additional FTE for Media and Public Relations	Corporate Communications	3. Very Important - Makes a significant contribution to the community or organisation	City Funding Required	0.40	\$ 39,775.32	\$ 39,775.32	\$ 39,775.32	\$ 39,775.32	\$ 39,775.32	\$ 39,775.32	\$ 39,775.32	\$ 39,775.32	\$ 39,775.32	\$ 39,775.32
Totals				4.40	\$ 356,164.20	\$ 356,164.20	\$ 381,164.20	\$ 381,164.20	\$ 381,164.20	\$ 381,164.20	\$ 381,164.20	\$ 381,164.20	\$ 381,164.20	\$ 381,164.20

**Attachment 2 - New Operating and Employees
New Operating Requests**

Proposal	Cost Centre	Project Priority	Project Funded By	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
To provide funds for a casual employee to conduct bi annually standard audiometric test for workers who carrying out work for the City and are required to frequently use personal hearing protectors as a control measure for noise that exceeds the exposure standard.	Safety	4. Highly Desirable - Significant benefits expected but a discretionary item	City Funding Required	\$ 5,286	\$ -	\$ 5,286	\$ -	\$ 5,286	\$ -	\$ 5,286	\$ -	\$ 5,286	\$ -
Vehicle operating costs for drainage maintenance team leader	Cityworks Overheads	1. Essential - The request is essential to the continued operation of the business (includes critical/urgent items)	City Funding Required	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Contribution to construction and fit out of shed at Murray airfield	Mosquito Control	3. Very Important - Makes a significant contribution to the community or organisation	City Funding Required	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$7,000 pa to sponsor the annual school book awards at each school across Mandurah.	Civic Events & Functions	2. Committed - Committed Items by resolution of Council	City Funding Required	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Mandurah Dolphin Research Partnership	Environmental Services	2. Committed - Committed Items by resolution of Council	City Funding Required	\$ 12,500	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Management requires a large consultancy budget to undertake these pre-planning works ahead of the project budget. The long-term financial budget for this proposed project is in line with the current 3 and 10 year renewal plan	Technical Services Administration	1. Essential - The request is essential to the continued operation of the business (includes critical/urgent items)	City Funding Required	\$ 150,000	\$ 80,000	\$ 80,000	\$ 40,000	\$ 110,000	\$ 80,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Consultants Parks and Open Space Asset auditing	Landscaping Services	3. Very Important - Makes a significant contribution to the community or organisation	City Funding Required	\$ 50,000	\$ 70,000	\$ 50,000	\$ 30,000	\$ 30,000	\$ 50,000	\$ 70,000	\$ 30,000	\$ 50,000	\$ 30,000
New legal requirements are required to be fulfilled by certain staff who are subject to a certain level of noise. All applicable staff are required to have bi-annual hearing tests	Safety	1. Essential - The request is essential to the continued operation of the business (includes critical/urgent items)	City Funding Required	\$ 13,500	\$ -	\$ 13,500	\$ -	\$ 13,500	\$ -	\$ 13,500	\$ -	\$ 13,500	\$ -
Waste Consultancy Fees to assist the City in evaluating and determining Preferred Service Delivery Models for its waste management services (post the current Waste Alliance Contract)	Waste Management Administration	3. Very Important - Makes a significant contribution to the community or organisation	City Funding Required	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A-SPEC Software to process as-constructed survey data to seamlessly enter into OneCouncil	Survey Services	2. Committed - Committed items by resolution of Council	City Funding Required	\$ 8,773	\$ 8,773	\$ 8,773	\$ 8,773	\$ 8,773	\$ 8,773	\$ 8,773	\$ 8,773	\$ 8,773	\$ 8,773
Master Planning for the future upgrade of the Waste Management Centre	Waste Transfer Station	2. Committed - Committed Items by resolution of Council	City Funding Required	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement handsets for telephone system	Information and Communication Technology	1. Essential - The request is essential to the continued operation of the business (includes critical/urgent items)	City Funding Required	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Engagement Software Platform - tenders requested 23/24 - If current platform remains there will be no cost however if new platform selected there will be cost for consultant to work with team to migrate data and content.	Corporate Communications	3. Very Important - Makes a significant contribution to the community or organisation	City Funding Required	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals				\$ 728,559	\$ 429,773	\$ 171,059	\$ 92,273	\$ 181,059	\$ 152,273	\$ 151,059	\$ 92,273	\$ 131,059	\$ 92,273

Attachment 3 - Capital Program
New Capital Projects

Project Name	Project Priority	Asset Class of Works	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total Budget	Total External Funding	Total Reserve Funding	Total CoM Funding
Peel Hockey Association Turf Resurface	3.	Renewal - Renewal of existing asset in the same form as original	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000	\$ 206,600	\$ 200,000	\$ 193,400
Western Foreshore Leisure Area	3.	New - Completely new asset	\$ 50,000	\$ 742,320	\$ 1,084,251	\$ -	\$ 833,518	\$ 854,356	\$ -	\$ -	\$ -	\$ -	\$ 3,564,445	\$ 300,496	\$ -	\$ 3,263,949
Totals			\$ 650,000	\$ 742,320	\$ 1,084,251	\$ -	\$ 833,518	\$ 854,356	\$ -	\$ -	\$ -	\$ -	\$ 4,164,445	\$ 507,096	\$ 200,000	\$ 3,457,349

**Attachment 3 - Capital Program
Existing Capital Projects**

Existing Capital Project Requests included in LTFP 2024 - 2035

Project Name	Project Priority	Asset Class of Works	Yr 1 2024	Yr 2 2025	Yr 3 2026	Yr 4 2027	Yr 5 2028	Yr 6 2029	Yr 7 2030	Yr 8 2031	Yr 9 2032	Yr 10 2033	Total Budget	Total External Funding	Total Reserve Funding	Total CoM Funding
Administration Building Carpark Bin Storage Area	3.	New - Completely new asset	\$ -	\$ -	\$ 31,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,734	\$ -	\$ 30,000	\$ 1,734
MARC Pool Covers Outside 50m Pool	4.	New - Completely new asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Soldiers Cove Seawall Replacement	3.	Renewal - Renewal of existing asset in the same form as original	\$ -	\$ -	\$ 932,225	\$ 955,531	\$ 979,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,867,176	\$ 1,480,896	\$ -	\$ 1,386,279
Merlin Street Activation Plan - Implementation	3.	Upgrade - Replace existing asset providing better service or product than original	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000
Blue Bay Foreshore Upgrade	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ 52,890	\$ 542,126	\$ 555,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,150,695	\$ 567,016	\$ -	\$ 583,679
Yalgorup National Park	2.	New - Completely new asset	\$ 1,650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,650,000	\$ 825,000	\$ -	\$ 825,000
Calypso Active Reserve and Facility Development	3.	New - Completely new asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,496,013	\$ 1,840,096	\$ -	\$ 3,336,109	\$ 1,125,038	\$ -	\$ 2,211,071
Stingray wall replacement/upgrade	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ 277,839	\$ 2,563,068	\$ -	\$ -	\$ -	\$ -	\$ 2,840,907	\$ 1,961,222	\$ -	\$ 879,685
Bin Enclosures Upgrade	3.	Upgrade - Replace existing asset providing better service or product than original	\$ 50,000	\$ 51,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,550	\$ -	\$ 100,000	\$ 1,550
North Mandurah Irrigation Water Supply	3.	New - Completely new asset	\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,000	\$ -	\$ -	\$ 165,000
Parkridge Boat Ramp Upgrade	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ 1,195,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,195,807	\$ 819,535	\$ -	\$ 376,272
MPAC Roof Replacement	1.	Renewal - Renewal of existing asset in the same form as original	\$ -	\$ 2,010,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,010,450	\$ 1,397,843	\$ 125,000	\$ 487,607
Administration HVAC System Replacement (Previously District Cooling System Admin/Mandjar (including Cinema & MPAC))	3.	Renewal - Renewal of existing asset in the same form as original	\$ -	\$ -	\$ 2,115,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,115,612	\$ -	\$ -	\$ 2,115,612
MPAC HVAC System Replacement (Previously District Cooling System Admin/Mandjar (including Cinema & MPAC))	3.	Renewal - Renewal of existing asset in the same form as original	\$ -	\$ 2,330,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,330,060	\$ 1,684,866	\$ 700,000	\$ -
Rushton Park North - Sports Ground Lighting	1.	Renewal - Renewal of existing asset in the same form as original	\$ -	\$ -	\$ -	\$ 325,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,275	\$ 112,003	\$ -	\$ 213,272
Bardoc Reserve	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ 423,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,122	\$ -	\$ -	\$ 423,122
Ormsby Terrace Car Park	3.	Renewal and Upgrade - project includes both renewal and upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,082,184	\$ -	\$ -	\$ -	\$ -	\$ 1,082,184	\$ -	\$ -	\$ 1,082,184
Coodanup Foreshore	3.	Upgrade - Replace existing asset providing better service or product than original	\$ 863,000	\$ 629,941	\$ 661,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,154,070	\$ -	\$ -	\$ 2,154,070
Dawesville Community Centre	2.	New - Completely new asset	\$ 6,298,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,298,500	\$ 6,506,351	\$ -	\$ -
Eastern/Western Foreshore (playground, picnic area improvements and renew ablutions)	2.	Upgrade - Replace existing asset providing better service or product than original	\$ 6,386,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,386,000	\$ 2,582,500	\$ 2,685,955	\$ 1,117,545
Upgrade to the Bortolo Pavilion Kitchen	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ 103,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,100	\$ -	\$ -	\$ 103,100
Glencoe Reserve	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ 487,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,913	\$ -	\$ -	\$ 487,913
Milgar Reserve	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ 216,850	\$ 222,271	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 439,122	\$ -	\$ -	\$ 439,122
Peelwood Reserve Master Plan - Implementation.	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ 333,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 333,407	\$ -	\$ -	\$ 333,407
Rushton Park - Main Oval (Flood Lights)	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ 257,750	\$ 1,322,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,580,008	\$ 546,357	\$ -	\$ 1,033,651
Dawesville Foreshore Upgrade	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ 555,679	\$ 569,571	\$ -	\$ -	\$ -	\$ -	\$ 1,125,249	\$ -	\$ -	\$ 1,125,249
Dawesville Youth Park Construction	3.	New - Completely new asset	\$ -	\$ -	\$ 581,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 581,793	\$ 327,814	\$ -	\$ 253,979
Cinema HVAC System Replacement (Previously District Cooling System Admin/Mandjar (including Cinema & MPAC))	3.	Renewal - Renewal of existing asset in the same form as original	\$ 1,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
MARC Double Sided Digital Sign	5.	Upgrade - Replace existing asset providing better service or product than original	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,000	\$ -	\$ -	\$ 140,000
Mississippi Park	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Norwich Reserve	3.	Upgrade - Replace existing asset providing better service or product than original	\$ 10,000	\$ 360,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 370,850	\$ -	\$ -	\$ 370,850

Mississippi Reserve	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ 423,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,122	\$ -	\$ -	\$ 423,122
Bridgewater North Reserve	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ 500,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,111	\$ -	\$ -	\$ 500,111
Dawesville Channel SE Foreshore Upgrade Stage 1	2.	Upgrade - Replace existing asset providing better service or product than original	\$ 1,025,000	\$ 824,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,849,800	\$ -	\$ -	\$ 1,849,800
BR Pedestrian Bridge Mandurah Road	3.	New - Completely new asset	\$ -	\$ -	\$ -	\$ -	\$ 5,556,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,556,787	\$ 5,740,161	\$ 500,000	\$ -
Enhancements to Reserve Changerooms to make amenities unisex	2.	Upgrade - Replace existing asset providing better service or product than original	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
Floating Jetty at Marina Boat Ramp	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ 298,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 298,169	\$ 212,806	\$ -	\$ 85,363
Foreshore Focus 2020 (Mary St Precinct)	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,278,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,278,283	\$ -	\$ -	\$ 2,278,283
MARC Aquatic Compound Storage Cover	4.	New - Completely new asset	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000
Greenfields Community Centre extension	2.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,841	\$ 613,365	\$ 1,886,098	\$ 2,559,304	\$ 1,290,973	\$ -	\$ -	\$ 1,268,331
Halls Head Foreshore	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,167,620	\$ -	\$ -	\$ -	\$ -	\$ 1,167,620	\$ -	\$ -	\$ 1,167,620
Henry Sutton Grove Park - Stage 1	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 569,571	\$ 583,810	\$ -	\$ -	\$ -	\$ -	\$ 1,153,381	\$ -	\$ -	\$ 1,153,381
Install Integrated Smart Shelf Returns System at Falcon Library	1.	New - Completely new asset	\$ -	\$ -	\$ -	\$ 43,641	\$ 44,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,373	\$ -	\$ -	\$ 88,373
Operations Centre	3.	Upgrade - Replace existing asset providing better service or product than original	\$ 200,000	\$ 6,186,000	\$ 6,346,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,732,836	\$ -	\$ 200,000	\$ 12,532,836
Sutton Farm - Public Jetties	2.	New - Completely new asset	\$ 364,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 364,000	\$ 188,006	\$ 172,000	\$ 3,994
Port Bouvard Rec and Sporting Club Refurbishment	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,627,145	\$ -	\$ -	\$ -	\$ -	\$ 2,627,145	\$ 2,713,841	\$ -	\$ -
Lakelands Youth Park - Design and Construction	4.	New - Completely new asset	\$ -	\$ 51,550	\$ 687,574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 739,124	\$ 655,628	\$ -	\$ 83,496
Rushton Precinct Master Plan - Netball Courts	3.	Upgrade - Replace existing asset providing better service or product than original	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
Sutton Farm - Car Parking	2.	New - Completely new asset	\$ 770,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 770,000	\$ -	\$ 700,000	\$ 70,000
Ocean Road Pavillion Carpark Lighting	3.	New - Completely new asset	\$ -	\$ 57,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,736	\$ -	\$ -	\$ 57,736
City Centre Streetscape Upgrades	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ 2,113,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,113,550	\$ -	\$ 1,050,000	\$ 1,063,550
Trails Projects	2.	New - Completely new asset	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ 361,550	\$ -	\$ -
LED Buildings Plan	3.	Upgrade - Replace existing asset providing better service or product than original	\$ 57,500	\$ 74,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,732	\$ -	\$ 129,500	\$ 2,232

Mandurah Library Refurbishment	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ 555,679	\$ 284,785	\$ -	\$ -	\$ -	\$ -	\$ 840,464	\$ -	\$ -	\$ 840,464
Mandurah Road Boundary Fence	3.	Upgrade - Replace existing asset providing better service or product than original	\$ -	\$ -	\$ -	\$ -	\$ 222,271	\$ 227,828	\$ -	\$ -	\$ -	\$ -	\$ 450,100	\$ -	\$ -	\$ 450,100
Totals			\$ 10,152,000	\$ 7,525,785	\$ 7,387,052	\$ 1,434,753	\$ 4,901,938	\$ 3,787,645	\$ 2,189,287	\$ 777,927	\$ 1,226,731	\$ 943,049	\$ 40,326,165	\$ 15,550,403	\$ 3,196,228	\$ 22,101,673

**Attachment 3 - Capital Program
Existing Capital Program Requests**

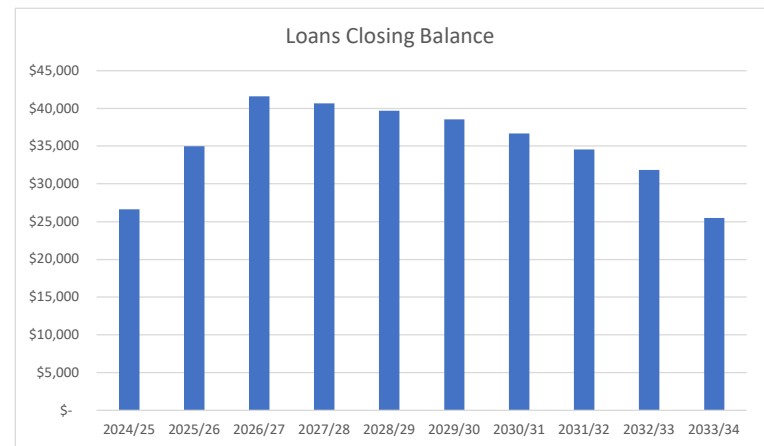
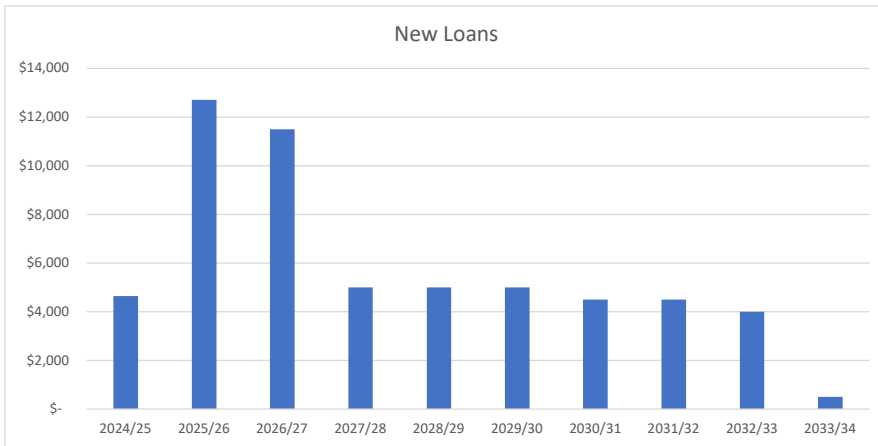
Project Name	Project Priority	Asset Class of Works	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total Budget	Total External Funding	Total Reserve Funding	Total CoM Funding
Site Main Switchboard Program	3.	Renewal - Renewal of existing asset in the same form as original	\$ 50,000	\$ 51,550	\$ 52,890	\$ 54,213	\$ 55,568	\$ 56,957	\$ 58,381	\$ 59,841	\$ 61,337	\$ 62,870	\$ 563,606	\$ -	\$ -	\$ 563,606
Community Sport and Recreation Facility Fund Program - Small Grants	2.	New - Completely new asset	\$ 150,000	\$ 154,650	\$ 158,671	\$ 162,638	\$ 166,704	\$ 170,871	\$ 175,143	\$ 179,522	\$ 184,010	\$ 188,610	\$ 1,690,817	\$ -	\$ -	\$ 1,690,817
SL Street Lighting New Program	3.	New - Completely new asset	\$ 75,000	\$ 77,325	\$ 79,335	\$ 81,319	\$ 83,352	\$ 85,436	\$ 87,571	\$ 89,761	\$ 92,005	\$ 94,305	\$ 845,409	\$ -	\$ -	\$ 845,409
Beach Shade Structures New Program	3.	New - Completely new asset	\$ -	\$ -	\$ -	\$ 54,213	\$ -	\$ -	\$ 58,381	\$ -	\$ -	\$ -	\$ 112,594	\$ -	\$ -	\$ 112,594
Plant & Machinery Renewal Program	1.	Renewal - Renewal of existing asset in the same form as original	\$ 1,802,800	\$ 2,474,400	\$ 2,538,734	\$ 2,602,203	\$ 2,667,258	\$ 2,733,939	\$ 2,802,288	\$ 2,872,345	\$ 2,944,154	\$ 3,017,757	\$ 26,455,878	\$ -	\$ -	\$ 26,455,878
Softfall Replacement Program	3.	Renewal - Renewal of existing asset in the same form as original	\$ 55,000	\$ 79,181	\$ 19,887	\$ 122,520	\$ 19,671	\$ 171,441	\$ 461,560	\$ 432,647	\$ 193,455	\$ 153,151	\$ 1,708,513	\$ -	\$ -	\$ 1,708,513
Boardwalks Renewal	1.	Renewal - Renewal of existing asset in the same form as original	\$ 1,517,000	\$ 425,796	\$ 446,027	\$ 1,474,417	\$ 577,903	\$ 464,282	\$ 565,667	\$ 531,048	\$ 1,486,298	\$ 722,675	\$ 8,211,112	\$ -	\$ 417,000	\$ 7,794,112
Buildings Renewal	1.	Renewal - Renewal of existing asset in the same form as original	\$ 1,960,000	\$ 2,568,221	\$ 4,228,051	\$ 4,640,066	\$ 3,605,243	\$ 3,726,131	\$ 1,449,016	\$ 1,336,239	\$ 1,275,981	\$ 927,870	\$ 25,716,819	\$ 4,636,993	\$ 650,174	\$ 20,429,652
Car Park Renewal	1.	Renewal - Renewal of existing asset in the same form as original	\$ 17,000	\$ 856,989	\$ 555,348	\$ 539,957	\$ 113,824	\$ 574,137	\$ 407,016	\$ 685,065	\$ 496,214	\$ 460,246	\$ 4,705,786	\$ -	\$ -	\$ 4,705,786
Christmas Decorations Program	3.	New - Completely new asset	\$ 150,000	\$ 206,200	\$ 211,561	\$ 216,850	\$ 222,271	\$ 227,828	\$ 233,524	\$ 239,362	\$ 245,346	\$ 251,480	\$ 2,204,423	\$ -	\$ -	\$ 2,204,423
SP Shared Paths New Program	3.	New - Completely new asset	\$ 100,000	\$ 103,100	\$ 528,903	\$ 542,126	\$ 555,679	\$ 1,139,141	\$ 1,167,620	\$ 1,196,810	\$ 1,226,731	\$ 1,257,399	\$ 7,817,509	\$ -	\$ -	\$ 7,817,509
Solar Panel Replacement Program	3.	Renewal - Renewal of existing asset in the same form as original	\$ -	\$ -	\$ -	\$ 108,425	\$ 111,136	\$ -	\$ 116,762	\$ 119,681	\$ 122,673	\$ 125,740	\$ 704,417	\$ -	\$ -	\$ 704,417
Street Lighting Renewal	1.	Renewal - Renewal of existing asset in the same form as original	\$ 250,000	\$ 618,600	\$ 634,684	\$ 650,551	\$ 666,814	\$ 683,485	\$ 700,572	\$ 718,086	\$ 736,038	\$ 754,439	\$ 6,413,269	\$ -	\$ -	\$ 6,413,269
TM Discretionary Traffic Management Program Vehicle & Small Plant Program	3.	Upgrade - Replace existing asset providing better service or product than original	\$ 150,000	\$ 154,650	\$ 158,671	\$ 162,638	\$ 166,704	\$ 170,871	\$ 175,143	\$ 179,522	\$ 184,010	\$ 188,610	\$ 1,690,817	\$ -	\$ -	\$ 1,690,817
	3.	New - Completely new asset	\$ 200,000	\$ 206,200	\$ 211,561	\$ 216,850	\$ 222,271	\$ 227,828	\$ 233,524	\$ 239,362	\$ 245,346	\$ 251,480	\$ 2,254,423	\$ -	\$ -	\$ 2,254,423
Waterways Renewal	1.	Renewal - Renewal of existing asset in the same form as original	\$ 582,500	\$ 2,481,939	\$ 873,099	\$ 733,978	\$ 675,840	\$ 1,423,211	\$ 2,009,016	\$ 1,418,220	\$ 2,375,918	\$ 251,480	\$ 12,825,202	\$ 6,323,355	\$ -	\$ 6,501,848
Road Renewal Rehab Program	1.	Renewal - Renewal of existing asset in the same form as original	\$ 500,000	\$ 1,684,510	\$ 2,216,982	\$ 1,705,798	\$ 1,435,818	\$ 1,332,636	\$ 1,474,307	\$ 1,223,439	\$ 1,328,378	\$ 2,169,642	\$ 15,071,509	\$ 8,964,970	\$ -	\$ 6,106,539
Reserve Meter Replacement Program	1.	Renewal - Renewal of existing asset in the same form as original	\$ 50,000	\$ 51,550	\$ 52,890	\$ 54,213	\$ 55,568	\$ 56,957	\$ 58,381	\$ 59,841	\$ 61,337	\$ 62,870	\$ 563,606	\$ -	\$ -	\$ 563,606
Road Renewal Resurface Program	1.	Renewal - Renewal of existing asset in the same form as original	\$ 4,085,000	\$ 3,859,739	\$ 3,785,539	\$ 4,694,406	\$ 4,755,054	\$ 3,743,156	\$ 5,147,575	\$ 5,520,503	\$ 5,172,565	\$ 5,586,435	\$ 46,349,972	\$ 13,953,960	\$ 270,188	\$ 32,125,824
Drinking Fountains New Program	3.	New - Completely new asset	\$ -	\$ 51,550	\$ 52,890	\$ 54,213	\$ 55,568	\$ 56,957	\$ 58,381	\$ 59,841	\$ 61,337	\$ 62,870	\$ 513,606	\$ -	\$ -	\$ 513,606
Road Upgrades Program	1.	Upgrade - Replace existing asset providing better service or product than original	\$ 3,090,000	\$ 3,093,000	\$ 3,173,418	\$ 3,252,753	\$ 3,334,072	\$ 3,417,424	\$ 3,502,860	\$ 3,590,431	\$ 3,680,192	\$ 3,772,197	\$ 33,906,347	\$ 23,288,191	\$ 150,000	\$ 10,468,156
Furniture & Equipment	1.	Renewal - Renewal of existing asset in the same form as original	\$ 50,500	\$ 52,802	\$ 55,105	\$ 69,798	\$ 71,771	\$ 62,075	\$ 83,694	\$ 85,786	\$ 87,931	\$ 90,129	\$ 709,591	\$ -	\$ -	\$ 709,591
Local Area Traffic Management (LATM) Program	2.	Upgrade - Replace existing asset providing better service or product than original	\$ 98,000	\$ 618,600	\$ 634,684	\$ 650,551	\$ 666,814	\$ 683,485	\$ 700,572	\$ 718,086	\$ 736,038	\$ 754,439	\$ 6,261,269	\$ 67,455	\$ -	\$ 6,193,815
Cycle Path New Program	2.	New - Completely new asset	\$ 60,000	\$ 2,062,000	\$ 2,115,612	\$ 2,168,502	\$ 1,667,036	\$ 1,822,626	\$ 1,868,192	\$ 1,914,897	\$ 1,962,769	\$ 2,011,838	\$ 17,653,472	\$ 9,118,019	\$ -	\$ 8,535,454
Fencing Renewal Program	1.	Renewal - Renewal of existing asset in the same form as original	\$ 262,500	\$ 357,422	\$ 434,238	\$ 443,181	\$ 252,348	\$ 248,300	\$ 520,611	\$ 550,187	\$ 375,134	\$ 430,030	\$ 3,873,952	\$ -	\$ -	\$ 3,873,952
Irrigation Renewal Program - Central Irrigation Management System renewal - staged over 3 years	3.	Renewal - Renewal of existing asset in the same form as original	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 323,139	\$ -	\$ -	\$ 323,139	\$ -	\$ -	\$ 323,139
Parks Renewal	1.	Renewal - Renewal of existing asset in the same form as original	\$ 409,000	\$ 526,938	\$ 299,621	\$ 557,660	\$ 803,049	\$ 681,846	\$ 356,917	\$ 304,944	\$ 1,156,365	\$ 401,080	\$ 5,497,420	\$ -	\$ -	\$ 5,497,420
Shared Paths Renewal	1.	Renewal - Renewal of existing asset in the same form as original	\$ 705,000	\$ 490,566	\$ 304,149	\$ 381,483	\$ 351,047	\$ 381,102	\$ 329,974	\$ 366,842	\$ 390,930	\$ 589,162	\$ 4,290,254	\$ -	\$ -	\$ 4,290,254
BMX/Pump Track Renewal	4.	Upgrade - Replace existing asset providing better service or product than original	\$ 150,000	\$ 67,015	\$ 84,624	\$ 86,740	\$ 88,909	\$ 91,131	\$ 93,410	\$ 191,490	\$ 98,138	\$ -	\$ 951,457	\$ -	\$ -	\$ 951,457
Playground Renewal Program	1.	Renewal - Renewal of existing asset in the same form as original	\$ 356,000	\$ 472,507	\$ 271,856	\$ 391,523	\$ 441,876	\$ 484,363	\$ 256,993	\$ 557,355	\$ 344,343	\$ 357,479	\$ 3,934,295	\$ -	\$ -	\$ 3,934,295
Road Renewal - Drainage	1.	Renewal - Renewal of existing asset in the same form as original	\$ 682,000	\$ 408,792	\$ 692,960	\$ 877,718	\$ 902,543	\$ 780,617	\$ 1,052,467	\$ 1,078,779	\$ 1,105,748	\$ 1,133,392	\$ 8,715,015	\$ -	\$ -	\$ 8,715,015
SF Street Furniture New Program	3.	New - Completely new asset	\$ 50,000	\$ 61,860	\$ 63,468	\$ 65,055	\$ 66,681	\$ 68,348	\$ 70,057	\$ 71,809	\$ 73,604	\$ 75,444	\$ 666,327	\$ -	\$ -	\$ 666,327
Shade Sails New Program	3.	New - Completely new asset	\$ 40,000	\$ 103,100	\$ 105,781	\$ 108,425	\$ 111,136	\$ 113,914	\$ 116,762	\$ 119,681	\$ 122,673	\$ 125,740	\$ 1,067,212	\$ -	\$ -	\$ 1,067,212
Signage Renewal Program	1.	Renewal - Renewal of existing asset in the same form as original	\$ 40,000	\$ 61,860	\$ 63,468	\$ 65,055	\$ 66,681	\$ 68,348	\$ 70,057	\$ 71,809	\$ 73,604	\$ 75,444	\$ 656,327	\$ -	\$ -	\$ 656,327
Parks and Reserves Signage New	3.	New - Completely new asset	\$ 40,000	\$ 41,240	\$ 42,312	\$ 43,370	\$ 44,454	\$ 45,566	\$ 46,705	\$ 47,872	\$ 49,069	\$ 50,296	\$ 450,885	\$ -	\$ -	\$ 450,885
Major Public Artworks	3.	New - Completely new asset	\$ 90,000	\$ 128,875	\$ 132,226	\$ 135,531	\$ 138,920	\$ 142,393	\$ 145,952	\$ 149,601	\$ 153,341	\$ 157,175	\$ 1,374,014	\$ -	\$ -	\$ 1,374,014
		Totals	\$ 8,908,650	\$ 12,336,363	\$ 12,609,623	\$ 14,084,469	\$ 12,609,792	\$ 13,068,397	\$ 13,327,526	\$ 13,651,920	\$ 14,451,506	\$ 13,306,886	\$ 128,375,132	\$ 33,176,472	\$ 743,681	\$ 94,454,979

Attachment 4 - Assumptions

Inputs		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
CPI Increase		3.30%	3.10%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Secondary Level											
Assumptions in the plan											
Salaries & Wages	EA Increases	4.12%	3.50%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee Costs	CPI	3.30%	3.10%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Materials and Contracts	CPI	3.30%	3.10%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Insurance	LG Cost Index - Insurance	4.10%	3.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Utilities	LG Cost Index - Utilities	2.50%	2.50%	2.50%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Operating Grants, Subsidies & Contributions	CPI	3.30%	3.10%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Fees & Charges	CPI	3.30%	3.10%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rates		3.98%	3.78%	3.28%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%
Capital		0.00%	3.10%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Attachment 5 - Borrowings

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Closing Balance	\$ 26,650	\$ 34,986	\$ 41,577	\$ 40,674	\$ 39,708	\$ 38,556	\$ 36,700	\$ 34,554	\$ 31,826	\$ 25,472
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	\$ 4,650	\$ 12,700	\$ 11,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,500	\$ 4,500	\$ 4,000	\$ 500
New loan repayments										
Principal	\$ 345	\$ 745	\$ 1,830	\$ 2,859	\$ 3,390	\$ 3,944	\$ 4,519	\$ 5,077	\$ 5,657	\$ 6,220
Interest	\$ 160	\$ 325	\$ 783	\$ 1,152	\$ 1,227	\$ 1,282	\$ 1,314	\$ 1,303	\$ 1,269	\$ 1,192
Total new repayments	\$ 505	\$ 1,070	\$ 2,613	\$ 4,010	\$ 4,618	\$ 5,225	\$ 5,833	\$ 6,380	\$ 6,926	\$ 7,412



Attachment 6 - Reserves

Summary	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 53,929,304	\$ 48,152,341	\$ 46,234,083	\$ 46,129,596	\$ 45,342,262	\$ 45,414,928	\$ 45,422,483	\$ 45,258,149	\$ 45,344,815	\$ 45,431,481
Amount set aside / Transfer to Reserve	\$ 86,666	\$ 86,666	\$ 86,666	\$ 86,666	\$ 86,666	\$ 86,666	\$ 86,666	\$ 86,666	\$ 86,666	\$ 86,666
Amount used / Transfer from Reserve	\$ 5,863,629	\$ 2,004,924	\$ 191,153	\$ 874,000	\$ 14,000	\$ 79,111	\$ 251,000	\$ -	\$ -	\$ -
Closing Balance	\$ 48,152,341	\$ 46,234,083	\$ 46,129,596	\$ 45,342,262	\$ 45,414,928	\$ 45,422,483	\$ 45,258,149	\$ 45,344,815	\$ 45,431,481	\$ 45,518,147
Building										
Opening Balance	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920	\$ 1,312,920
Asset Management										
Opening Balance	\$ 24,290,000	\$ 20,531,421	\$ 20,210,694	\$ 16,469,267	\$ 12,149,346	\$ 7,008,892	\$ 4,435,768	\$ 4,435,768	\$ 4,435,768	\$ 4,435,768
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ 3,758,579	\$ 320,727	\$ 3,741,427	\$ 4,319,921	\$ 5,140,454	\$ 2,573,124	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 20,531,421	\$ 20,210,694	\$ 16,469,267	\$ 12,149,346	\$ 7,008,892	\$ 4,435,768	\$ 4,435,768	\$ 4,435,768	\$ 4,435,768	\$ 4,435,768
Cultural Centre										
Opening Balance	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480
Sustainability										
Opening Balance	\$ 318,854	\$ 261,354	\$ 189,354	\$ 189,354	\$ 189,354	\$ 189,354	\$ 189,354	\$ 189,354	\$ 189,354	\$ 189,354
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ 57,500	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 261,354	\$ 189,354	\$ 189,354	\$ 189,354	\$ 189,354	\$ 189,354	\$ 189,354	\$ 189,354	\$ 189,354	\$ 189,354
Waste										
Opening Balance	\$ 5,333,194	\$ 4,753,194	\$ 4,703,194	\$ 4,673,194	\$ 4,299,194	\$ 4,285,194	\$ 4,256,194	\$ 4,005,194	\$ 4,005,194	\$ 4,005,194
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ 580,000	\$ 50,000	\$ 30,000	\$ 374,000	\$ 14,000	\$ 29,000	\$ 251,000	\$ -	\$ -	\$ -
Closing Balance	\$ 4,753,194	\$ 4,703,194	\$ 4,673,194	\$ 4,299,194	\$ 4,285,194	\$ 4,256,194	\$ 4,005,194	\$ 4,005,194	\$ 4,005,194	\$ 4,005,194

Interest Free Loans	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562	\$ 145,562

CLAG	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217

Mandurah Ocean Marina	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666	\$ 184,666

Waterways	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742	\$ 775,742

Port Mandurah Canals Stage 2 Maintenance	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600

Mariners Cove Canals	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015	\$ 88,015

Port Bouvard Canal Maintenance Contributions	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034	\$ 277,034

Cash in Lieu POS Contributions	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475	\$ 499,475

Unspent Grants & Contributions	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732	\$ 7,490,732

Leave Reserve	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082	\$ 2,722,082

Coastal Storm Contingency	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178	\$ 268,178

Digital Futures	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172	\$ 59,172

Decked Carparking	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409	\$ 1,046,409

Specified Area Rates - Waterside Canals

Opening Balance	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654	\$ 107,654

Specified Area Rates - Port Mandurah Canals

Opening Balance	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581	\$ 349,581

Specified Area Rates - Mandurah Quay Canals

Opening Balance	\$ 266,655	\$ 293,321	\$ 319,987	\$ 346,653	\$ 373,319	\$ 399,985	\$ 426,651	\$ 453,317	\$ 479,983	\$ 506,649
Amount set aside / Transfer to Reserve	\$ 26,666	\$ 26,666	\$ 26,666	\$ 26,666	\$ 26,666	\$ 26,666	\$ 26,666	\$ 26,666	\$ 26,666	\$ 26,666
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 293,321	\$ 319,987	\$ 346,653	\$ 373,319	\$ 399,985	\$ 426,651	\$ 453,317	\$ 479,983	\$ 506,649	\$ 533,315

Specified Area Rates - Mandurah Ocean Marina

Opening Balance	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368	\$ 887,368

Specified Area Rate - Port Bouvard Canals

Opening Balance	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018	\$ 145,018

Specified Area Rate - Mariners Cove	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015	\$ 6,015

Specified Area Rate - Eastport	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245	\$ 46,245

Sportsclubs Maintenance Levy	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355	\$ 275,355

City Centre Land Acquisition Reserve	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167	\$ 946,167

Lakelands Community Infrastructure Reserve	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413	\$ 1,143,413

Plant Reserve	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700	\$ 584,700

Workers Compensation	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121	\$ 562,121

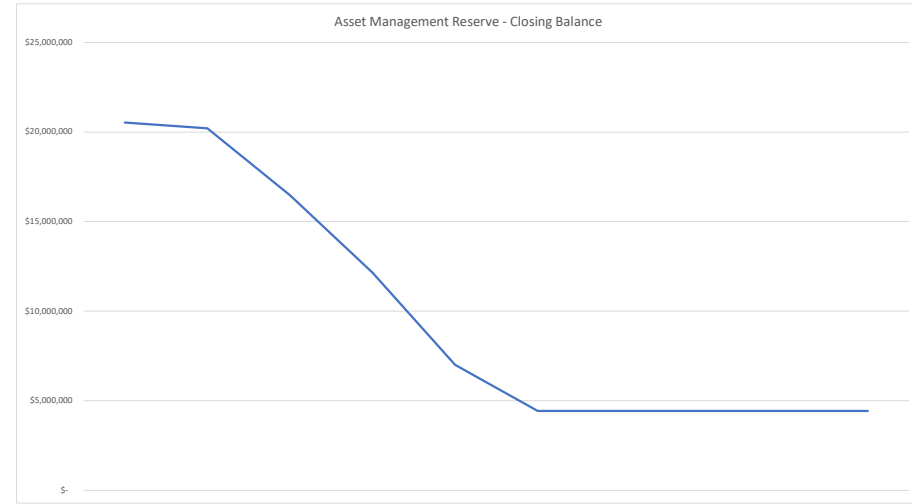
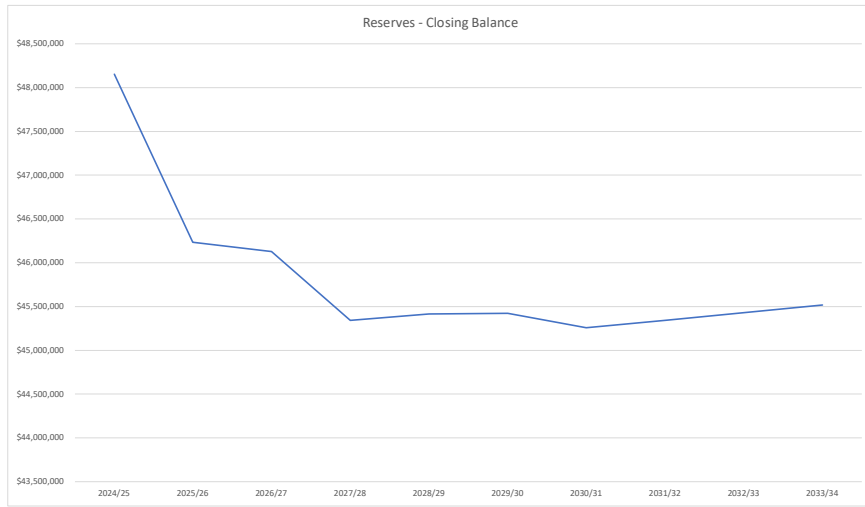
Restricted Cash Reserve	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 984,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ 872,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889	\$ 112,889

Bushland and Environmental Protection Reserve	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062	\$ 1,761,062

Community Safety	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000

Mandurah Quay Seawall Reserve	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ -	\$ 60,000	\$ 120,000	\$ 180,000	\$ 240,000	\$ 300,000	\$ 360,000	\$ 420,000	\$ 480,000	\$ 540,000
Amount set aside / Transfer to Reserve	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 60,000	\$ 120,000	\$ 180,000	\$ 240,000	\$ 300,000	\$ 360,000	\$ 420,000	\$ 480,000	\$ 540,000	\$ 600,000

Public Art Reserve	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Opening Balance	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000
Amount set aside / Transfer to Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount used / Transfer from Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000



Attachment 7 - Ratios

Ratios

Current Ratio (>1)
 Debt service cover ratio (Basic >2, Advanced >5)
 Own source revenue (Basic >0.4, Intermediate >0.6, Advanced >0.9)
 Operating Surplus ratio (Basic >0.01, Advanced >0.15)
 Asset Consumption Ratio (Basic >0.5, Improving between 0.6 and 0.75)
 Asset Sustainability Ratio (Basic >0.9, Improving between 0.9 and 1.1)
 Asset renewal ratio (Basic between .75 and .95, improving between .95 and 1.05)

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Current Ratio (>1)	1.36	1.81	1.95	1.97	1.99	2.08	2.17	2.30	2.43	2.63
Debt service cover ratio (Basic >2, Advanced >5)	4.20	4.33	3.87	3.33	3.72	4.07	4.19	4.51	4.85	5.19
Own source revenue (Basic >0.4, Intermediate >0.6, Advanced >0.9)	0.87	0.88	0.88	0.89	0.90	0.92	0.93	0.95	0.96	0.97
Operating Surplus ratio (Basic >0.01, Advanced >0.15)	-0.10	-0.09	-0.09	-0.08	-0.06	-0.04	-0.03	-0.01	0.00	0.02
Asset Consumption Ratio (Basic >0.5, Improving between 0.6 and 0.75)	0.67	0.66	0.64	0.63	0.62	0.61	0.59	0.58	0.57	0.56
Asset Sustainability Ratio (Basic >0.9, Improving between 0.9 and 1.1)	0.88	1.11	1.10	0.86	0.92	0.94	0.94	0.94	0.97	0.98
Asset renewal ratio (Basic between .75 and .95, improving between .95 and 1.05)	0.87	0.87	1.06	1.05	1.02	0.99	1.00	1.00	1.00	1.00

Financial Position and Performance Policy

POL-FCM 08



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.

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 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 Long Term Financial Plan;
- 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 Long Term Financial Planning 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
- 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:

- 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;
- 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;
- Subject to Council approval in the 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);
- Consideration of community capacity to pay 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 Long Term Financial Plan process;
 - Current economic climate and conditions including consideration of cost-of-living pressures for the community;
 - 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.

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 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 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.

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 Long Term Financial Planning 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

Financial Position and Performance Policy

POL-FCM 08



Responsible Directorate: Business Services

Responsible Department: Financial Services

Reviewer: Director Business Services

Creation date and reference: "<Insert Date Here>" "<Insert Document Reference>"

Last Review: "<Insert Date Here>" "<Insert Document Reference>"

Amendments			
Version #	Council Approval Date, Reference	Date Document In force	Date Document Ceased

ATTACHMENT 1.3

Community Member	Community comment of Long Term Financial Plan	City of Mandurah Response
Mr Macolm Eales	<p>Due the to the City's very poor record of financial management over the previous number of years ie Cost blow outs at the Marc centre, the debacle of the Peel St repeated road works, toilet block revamp on the foreshore, and the list goes on and on, I believe there is much scope to reduce wasteful expenditure . I think it is imperative that Council pulls in the reins, to become more efficient, thus passing on saving now and into the future. I propose to stop or slow down the introduction of the suggested plans. I totally disagree with and rate increases this year, as people currently experiencing cost of living stress will possibly not be able to afford to pay their rates, the end result Council not getting as much revenue overall.</p>	<p>The City is also impacted by increases relating to cost of goods and services, utilities, insurance, to name a few expenses that will increase. The Council is aware of the cost-of-living pressures of the ratepayers and has advertised rate increases which ensures the City covers its fixed costs which reflects CPI as well as increasing the level of renewal investment through a phased approach over 10 years to reach the point where the amount that an asset deteriorates in one year is the same as the level of renewal investment required. This ensures the City's assets and service levels do not deteriorate as a result of an under-investment. The Council has worked hard to achieve a forward looking Long Term Financial Plan that ensures all ratepayers contribute to the City's \$1.5 billion assets.</p>
Ms Hayley Graham	<p>With the current increase of the cost of living, and the fact that Mandurahs incentive is clearly to become a retirement city once again (similar to how it was over 30 years ago- but as a town), is an increase really fair on us rate payers considering it is very apparent that our Mayor and councillors have only THEIR interests at heart. Where is this money ACTUALLY going for our kids, youths and families? I am yet to see an actual detailed plan that will make Mandurah fun again!</p>	<p>Refer to Response #1</p>
Ms Jacqui Riley	<p>I wish to register my disgust at the proposal to Increase Shire Rates by almost 4% for this year. You are well aware of households' struggles to pay for the basics of everyday life at the moment, by Introducing higher rates, will only compound this problem. Those Councillors who think this is an appropriate step to take by our shire</p>	<p>Refer to Response #1</p>

	<p>do not have the issue of making ends meet at the end of every month. Unfortunately, only a few Councillors recognise this issue. The Waste of Rate Payer's Money in our Mandurah Shire bears witness to the fact NO RATE INCREASE. The Smart St Mall, Peel Street etc has and was an ongoing saga for years and this saga has cost Rate Payers money for what """"""The Smart St Mall was a classic saga after numerous attempts to sort out a problem, should we have concrete or brick paving, what promised to take 12 months took 3 years. At this time people lost their businesses or moved out because they couldn't take the disruption anymore, however, then we find out that most of it will be knocked down in the future for a major upgrade. The Eastern Foreshore was once a beautiful grassed area the people of Mandurah loved was turned into a dust bowl for how many years? for what? On Closing in the future can you please make it easier for your Rate Payers to access your site Re: do we agree with a rate rise and not leave it up to a Councillor in the Local Paper to inform us of how to access it .</p>	
Mr Brad Bedford	<p>Dear Counselors As you are aware Australia is in a cost of living crisis. Many Families are really struggling to make ends meet, pay mortgages send their kids to School put food on the table also many businesses are folding due to increased overheads and the community restricting there spending. It is time for the City of Mandurah to set an example and help the ratepayers of Mandurah? In the past petitions have been submitted to Council regarding rates and cost of living and ignored like most petitions, it's now time to show restraint and freeze rates for two yrs or at least reduce the proposed increase by half? This can be achieved by better economic management and not wasting money on projects not really needed, especially in this current economic climate. Also with the increase in population and dwellings plus increased property valuation there is really no need to increase rates? It may not be an issue with people on high income but it's certainly an issue for people on low income. I</p>	Refer to Response #1

	really do hope and pray that you all assist the ratepayers of Mandurah.											
Mr Graham McPherson	<p>AS CITY OFFICERS HAVE DECIDED FOR THE NEXT 9 YRS CITY RATES ARE PROPOSED TO INCREASE BY THE CPI AND .68% I AM LOOKING FORWARD TO THE PUBLIC DISCLOSURE OF THE LATTER FOR THE 2024/25 YEAR.</p> <p>I WILL BE MOST INTERESTED TO SEE HOW THE COM PROPOSAL IS ALIGNED WITH THE WATC PROVIDED TO ME AS BELOW ;-</p> <p>The forecasts are summarised in the table below.</p> <table border="1" data-bbox="506 879 1413 1018"> <thead> <tr> <th>2022-23 (actual)</th> <th>2023-24 (forecast)</th> <th>2024-25 (forecast)</th> <th>2025-26 (forecast)</th> <th>2026-27 (forecast)</th> </tr> </thead> <tbody> <tr> <td>5.0%</td> <td>4.0%</td> <td>3.0%</td> <td>2.5%</td> <td>2.5%</td> </tr> </tbody> </table> <p>These forecasts will be updated in the 2024-25 Budget, which will be released in May.</p>	2022-23 (actual)	2023-24 (forecast)	2024-25 (forecast)	2025-26 (forecast)	2026-27 (forecast)	5.0%	4.0%	3.0%	2.5%	2.5%	<p>The Western Australian Treasury Corporation (WATC) have suggested that their forecast for CPI for the end of the 2024 year will be 4%. The Reserve Bank of Australia's (RBA) forecast puts this at 3.3%. The Perth CPI March 2023 to March 2024 data (the latest CPI data available before adoption of the Plan) shows a 3.4% increase in CPI. Analysis shows that Perth would need a quarterly increase to June of around 1.45% alone to reach the 4% forecast from WATC. Further to this, the RBA are responsible for keeping inflation in check so the City has decided to use this information in its assumptions.</p> <p>If the City was to apply WATC forecast for CPI of 4%, the City would have to propose a rate increase of 4.68% (CPI + 0.68%). If the CPI for June 2024 exceeds the estimated 3.3%, the City officers will undertake a review of options available to Council to amend the adopted Budget.</p>
2022-23 (actual)	2023-24 (forecast)	2024-25 (forecast)	2025-26 (forecast)	2026-27 (forecast)								
5.0%	4.0%	3.0%	2.5%	2.5%								

	<p>I hope you found this information helpful.</p> <p>Have a good afternoon.</p>	
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2	SUBJECT:	Notice of Intention to Impose the 2024/25 Differential Rates and Minimum Payments
	DIRECTOR:	Business Services
	MEETING:	Special Council Meeting
	MEETING DATE:	21 May 2024

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 2024/2025 Financial Year, Council has participated in a series of workshops where rating options have been considered.

Council is now requested to provide local public notice (21 days) of Council's intention to impose differential rates, based on a 3.98% 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 2024/2025 Financial Year.

Disclosure of Interest

N/A

Previous Relevant Documentation

- G.6/4/24 23 April 2024 2025 – 2034 Long Term Financial Plan

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. 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.

Comment

Long Term Financial Plan and Rating Strategy

At the Council Meeting of 23 April 2024, Council adopted the Long Term Financial Plan (LTFP) and the Council Financial Position and Performance Policy (Policy) for the purpose of inviting community submissions.

The LTFP contains financial projections to provide an indication of the City's financial capacity and is prepared on the basis of a number of objectives and assumptions. Strategies, priorities, opportunities and emerging issues are all dynamic influences of this Plan and ensure responsiveness to the needs of the community, it is reviewed and adjusted annually, alongside the Corporate Business Plan and Annual Budget.

A key component of the LTFP is the establishment of a rating strategy. Discussions on the rating strategy have progressed over the course of the financial year and through a series of workshops held as part of

Council Briefings. In addition, an Elected Member Strategic workshop was held in March 2024 to further develop and refine Council's financial position, demonstrating Council's commitment to financial stewardship and long term financial sustainability. In the 2022-2031 Long Term Financial Plan, Council adopted a rating strategy in the LTFP which is based on CPI + 0.68%.

As part of previous years Long Term Financial Plan analysis, City officers identified that the City is not investing enough in its renewal of infrastructure assets. Council were advised that this issue needed to be addressed over the life of the Long Term Financial 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.

This rating strategy has now been further refined through the development of the Financial Position and Performance Council Policy, which incorporates a Rating Principle and the following criteria:

- Differential Rates apply ensuring that every landowner makes a reasonable contribution to rates;
- Specified Area Rates (SAR) 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 the SAR are 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;
- Where applicable, Differential Rates and the SAR 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;
- Subject to Council approval in the 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;
- Consideration of community capacity to pay 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 LTFP process;
 - Current economic climate and conditions including consideration of cost-of-living pressures for the community;
 - 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 first year of the City's 2025/2034 LTFP contains a rate increase of 3.98% which is Consumer Price Index (CPI) + 0.68%. The rate increase is recommended due to the increases to the City's costs related to CPI, cost of materials, transportation, and contractor costs. CPI is commonly used in local government contracts to determine the annual increase in the contract price. The average annual Perth CPI increase (March to March 2024) is 3.4%. It is estimated that for the June quarter, CPI will be 3.3%.

The 2025-2034 LTFP incorporates the following major capital projects in year one:

- Completion of Dawesville Community Centre
- Completion of Eastern Foreshore project
- Commencement of Merlin Street Activation Plan
- Mandurah Performing Arts Centre and Cinema Building Air Conditioning Replacement
- City Centre Streetscape Upgrades
- Yalgorup National Park projects
- Design of the new Operations Centre
- Continuing Coodanup Foreshore Upgrade

- Commencement of Dawesville Foreshore Upgrade
- Commencement of construction of Car Parking in Western Foreshore Precinct

Following the Council Meeting on 23 April 2024, the LTFP and draft Policy were advertised for public comment.

Efficiency Target

An efficiency target of \$250,000 has also 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.

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
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
250,000	500,000	750,000	1,000,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,500,000

Community Capacity to Pay

The outlook for cost-of-living pressures in 2024/25 is more positive than it has been for the last few years. The Consumer Price Index for Perth rose by 3.4% in the year to March. However, this is lower than the increase in wages, which increased by 4.2% over the same period according to the WA wage price index. This indicates that the cost of living for the average worker has improved over this period.

While no wage or inflation data is produced for Mandurah, ABS data show unemployment is at the lowest levels it ever has been, averaging 3.5% over the past 12 months to March. Employment is also at its highest ever, with ABS estimates indicating 50,000 people in employment in the Mandurah SA4 area. Labour market participation has also risen, due in part to rising wages.

Rates also account for a relatively small proportion of household income for the average household. Data from the 2021 Census indicate the median household income for Mandurah was \$858 per week.

Even without adjusting for the recent growth in wages, the median weekly rate payment for a residential improved property within the City of Mandurah would equate to 3.5% of this 2021 income (\$30). The proposed increase of \$1.24 per week for 2024/25 for the average household equates to an additional 0.1% of weekly income being spent on rates for the average household.

Pressure is also put on City expenditure because of external cost escalation rates. The majority of the City's multi-term contracts for provision of service, program or infrastructure includes a CPI as the escalation rate for the annual contract price.

Rates 2024/2025

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	43,624	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	3,380	All vacant land that is zoned for residential purposes (not zoned for commercial purposes)
Business Vacant	117	All vacant land that is zoned for commercial purposes
Urban Development	10	All vacant land greater in size than 10 hectares (primarily super-lots to be further subdivided)

The City also imposes a minimum payment to recognise that properties must contribute a minimum amount for the provision of services and infrastructure which benefit all the community.

Rates by category

Residential improved land – rate in the dollar \$0.08967

- 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 \$0.17193

- 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 \$0.09785

- 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 \$0.17934

- 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 \$0.15986

- 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.

Minimum Rates

The proposed minimum rates for 2024/25 represent a 3.98% increase from the 2023/24 financial year and are as follows:

- Residential Improved \$1,285
- Residential Vacant \$1,064
- Business Improved \$1,285
- Business Vacant \$1,285
- Urban Development \$1,285

Rating Options

For the purposes of this Report, City officers have undertaken modelling on four 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 – 3.98%	<ul style="list-style-type: none"> • This option is based on the LTFP rating principle of CPI + 0.68%. CPI is forecasted by the Reserve Bank Australia to be 3.3% at 30 June 2024. • Represents a \$64.99 yearly increase in the average residential rates or \$1.25 a week. • Ensure adequate funding is available to provide the current service level 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. • Ensures service levels remain the same. • Supports the performance of the Department of Local Government, Sport and Cultural Industries (DLGSC) Ratios.
Option 2 – 3.3%	<ul style="list-style-type: none"> • This option is based on CPI of 3.3% . • Represents a \$53.89 yearly increase in the average residential rates or \$1.04 a week for the 2024-2025 year. • This option would require a minor reduction in service levels as determined by Council. • This option does not support the achievement of the DLGSC Ratios over the 10 Year Plan.
Option 3 – 2%	<ul style="list-style-type: none"> • This option is based on 2%. • Represents a \$32.66 yearly increase in the average residential rates or \$0.63 a week for the 2024-2025 year. • This option would require a reduction in service levels as determined by Council. • This option does not support the achievement of the DLGSC Ratios over the 10 Year Plan.
Option 4 – 0%	<ul style="list-style-type: none"> • This option is based on no rate increase.

	<ul style="list-style-type: none"> • 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. • This option would be not sustainable in the long term and be detrimental to future generations. • This option does not support the achievement of the DLGSC Ratios over the 10 Year Plan.
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Option 1 – 3.98% (LTFP Option)

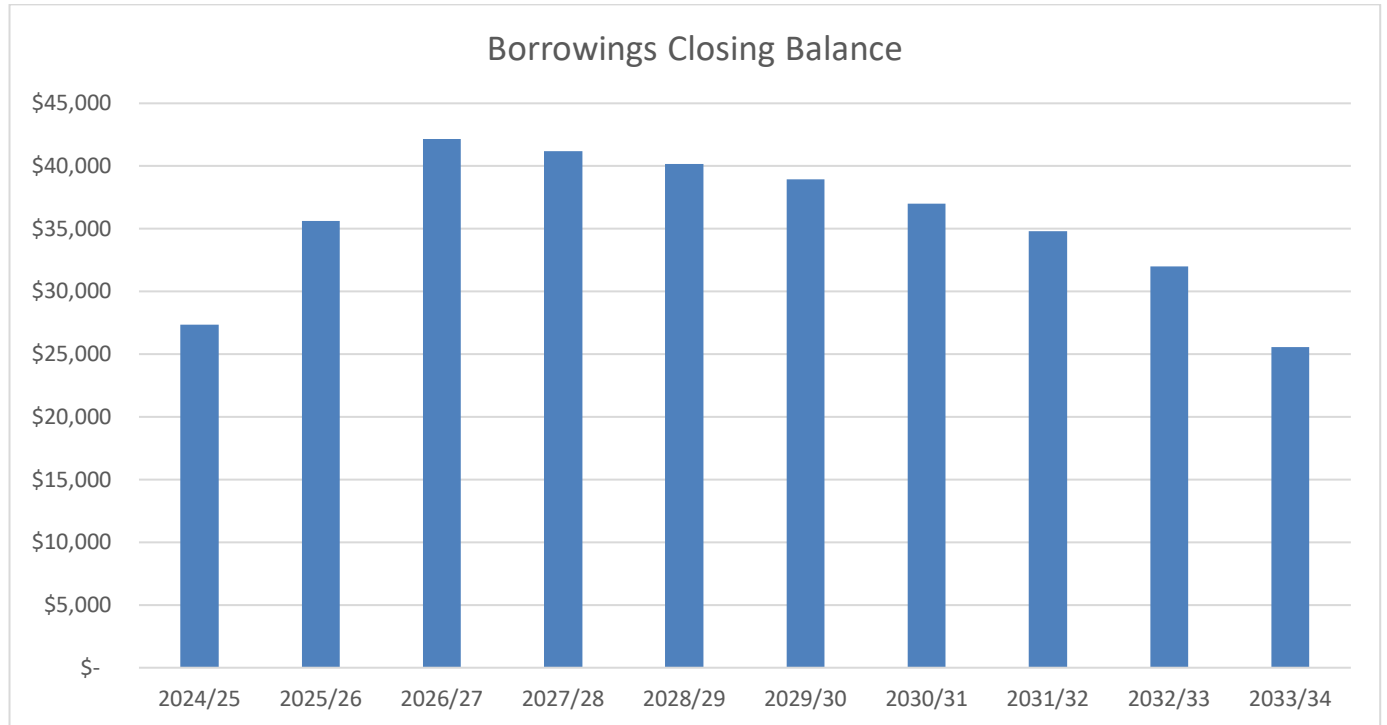
The base option from the City’s LTFP is a 3.98% increase in rates. This represents a \$64.99 yearly increase in the average residential rates or \$1.25 a week. Should a rate increase of 3.98% be adopted, the City’s rating revenue will total \$97,730,564 for the 2024/2025 financial year. This increase represents an additional \$4,373,218 for Year 1 of the Plan.

Under this option the Asset Management Reserve will decrease over the 10 years to just under \$5 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 \$41.5 million in year three before decreasing to \$25.4 million in year 10



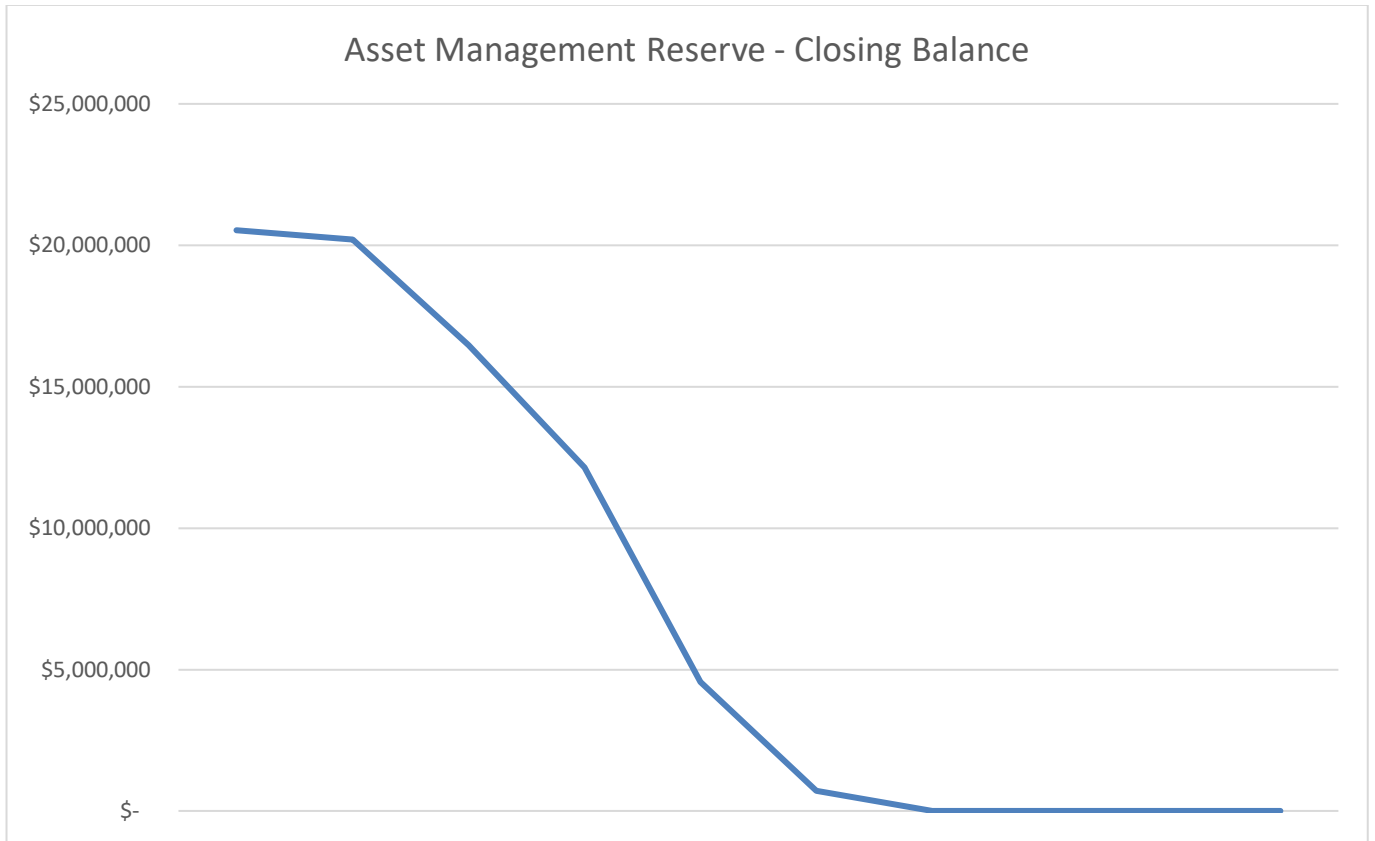
Under this base option, the financial ratios that the City has been focusing on improving over the 10 year plan are as follows:

Ratios	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Current Ratio (>1)	1.36	1.81	1.95	1.97	1.99	2.08	2.17	2.30	2.43	2.63
Debt service cover ratio (Basic >2, Advanced >5)	4.20	4.33	3.87	3.33	3.72	4.07	4.19	4.51	4.85	5.19
Own source revenue (Basic >0.4, Intermediate >0.6, Advanced >0.9)	0.87	0.88	0.88	0.89	0.90	0.92	0.93	0.95	0.96	0.97
Operating Surplus ratio (Basic >0.01, Advanced >0.15)	-0.10	-0.09	-0.09	-0.08	-0.06	-0.04	-0.03	-0.01	0.00	0.02
Asset Consumption Ratio (Basic >0.5, Improving between 0.6 and 0.75)	0.67	0.66	0.64	0.63	0.62	0.61	0.59	0.58	0.57	0.56
Asset Sustainability Ratio (Basic >0.9, Improving between 0.9 and 1.1)	0.88	1.11	1.10	0.86	0.92	0.94	0.94	0.94	0.97	0.98
Asset renewal ratio (Basic between .75 and .95, improving between .95 and 1.05)	0.87	0.87	1.06	1.05	1.02	0.99	1.00	1.00	1.00	1.00

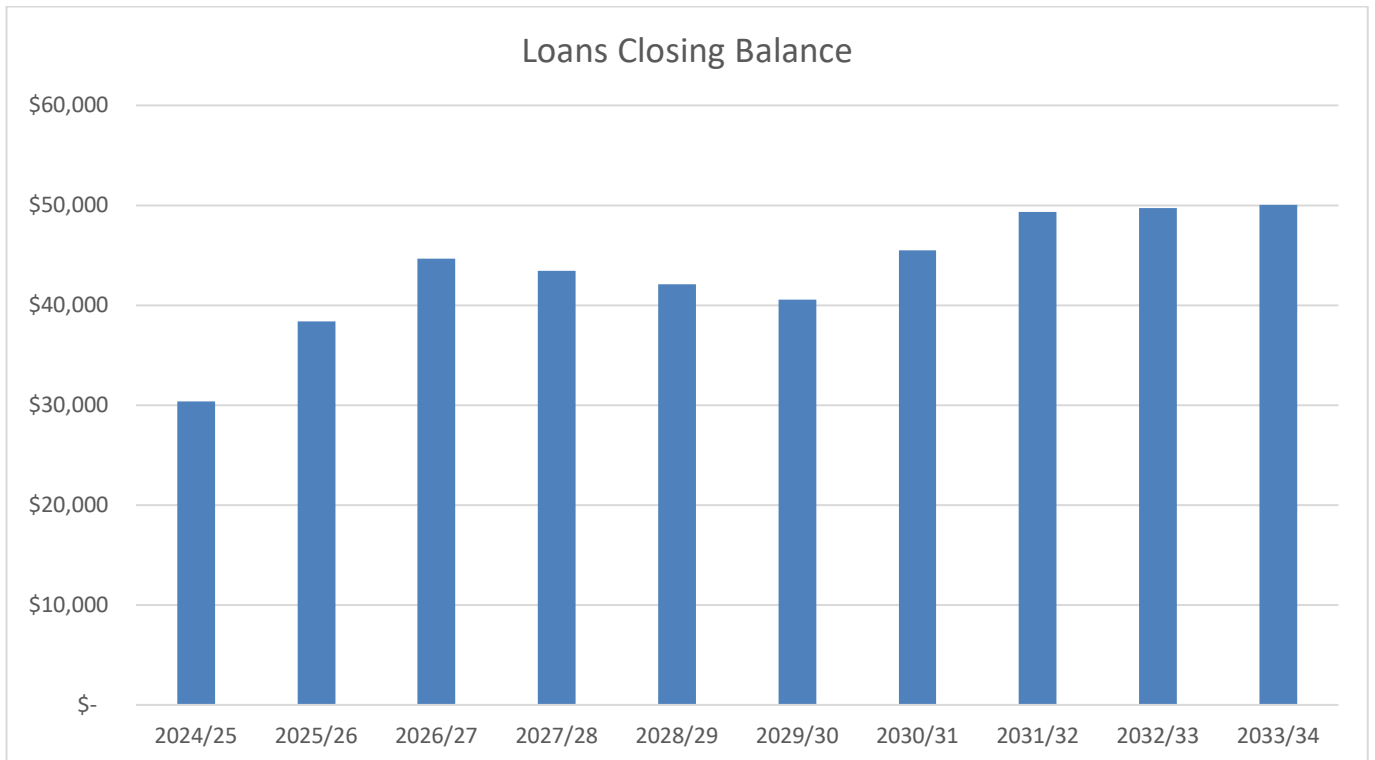
Option 2 – 3.3% (CPI)

Option 2 is a rate increase based on CPI (3.3% in the first year). This represents a \$53.89 yearly increase in the average residential rates or \$1.04 a week for the 2024/2025 year.

Under this option the Asset Management Reserve will decrease over the 10 years to nil:



Borrowings will increase to \$50 million by year 10:



Under this option, the financial ratios that the City has been focusing on improving over the 10 year plan improve, however are not achieved over the LTFP:

Ratios

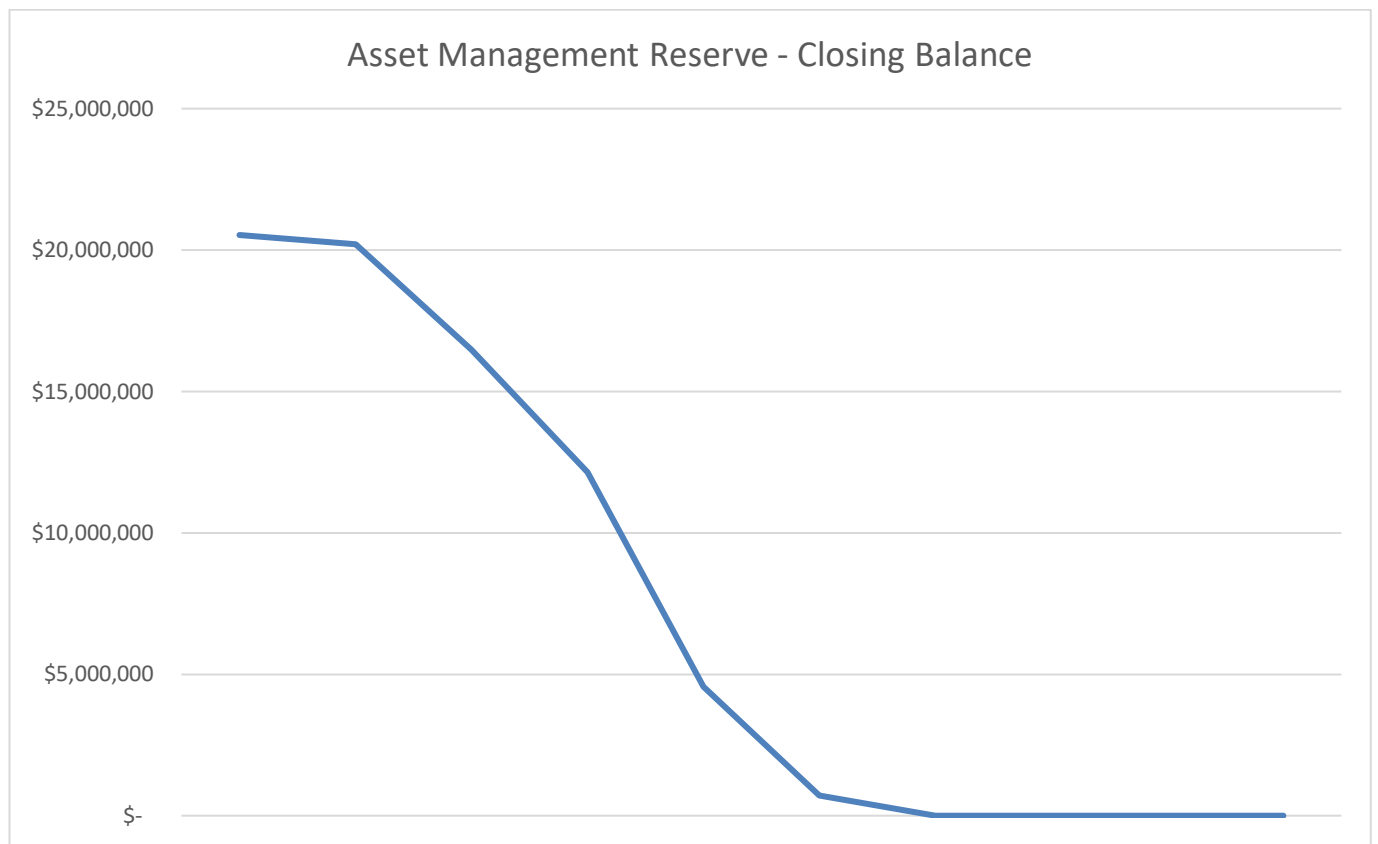
Current Ratio (>1)
Debt service cover ratio (Basic >2, Advanced >5)
Own source revenue (Basic >0.4, Intermediate >0.6, Advanced >0.9)
Operating Surplus ratio (Basic >0.01, Advanced >0.15)
Asset Consumption Ratio (Basic >0.5, Improving between 0.6 and 0.75)
Asset Sustainability Ratio (Basic >0.9, Improving between 0.9 and 1.1)
Asset renewal ratio (Basic between .75 and .95, improving between .95 and 1.05)

2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
1.36	1.81	1.95	1.97	1.99	2.08	2.17	2.30	2.43	2.63
4.08	4.03	3.50	2.92	3.19	3.44	3.45	3.66	3.87	4.07
0.86	0.87	0.87	0.87	0.88	0.89	0.90	0.91	0.92	0.93
-0.11	-0.10	-0.10	-0.10	-0.09	-0.07	-0.07	-0.05	-0.04	-0.03
0.67	0.66	0.64	0.63	0.62	0.61	0.59	0.58	0.57	0.56
0.88	1.07	1.04	0.78	0.82	0.81	0.79	0.76	0.76	0.74
0.87	0.87	1.06	1.05	1.02	0.99	1.00	1.00	1.00	1.00

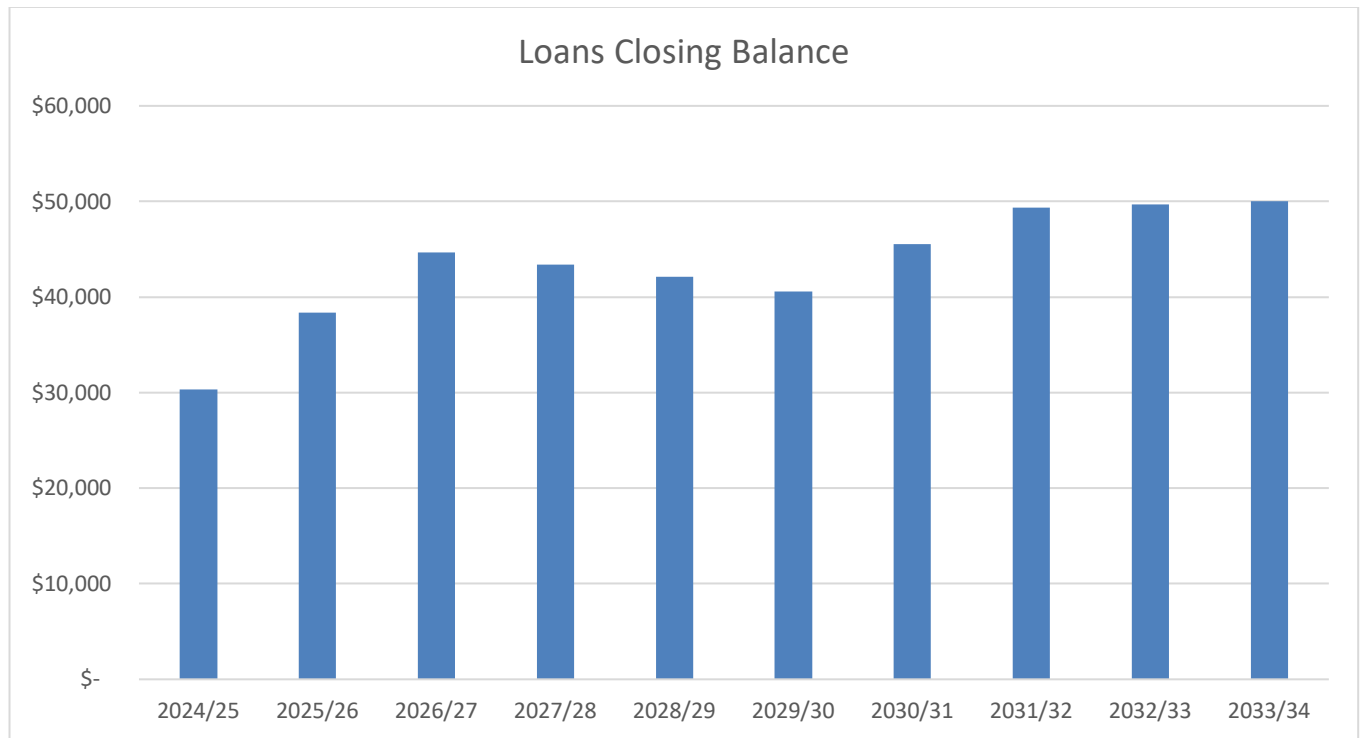
Option 3 - 2%

Option 3 is a rate increase each year of 2%. This represents a \$32.66 yearly increase in the average residential rates or \$0.63 a week for the 2024/2025 year.

Under this option the Asset Management reserve will decrease over the 10 years to nil:



Borrowings will increase to \$50 million by year 10:



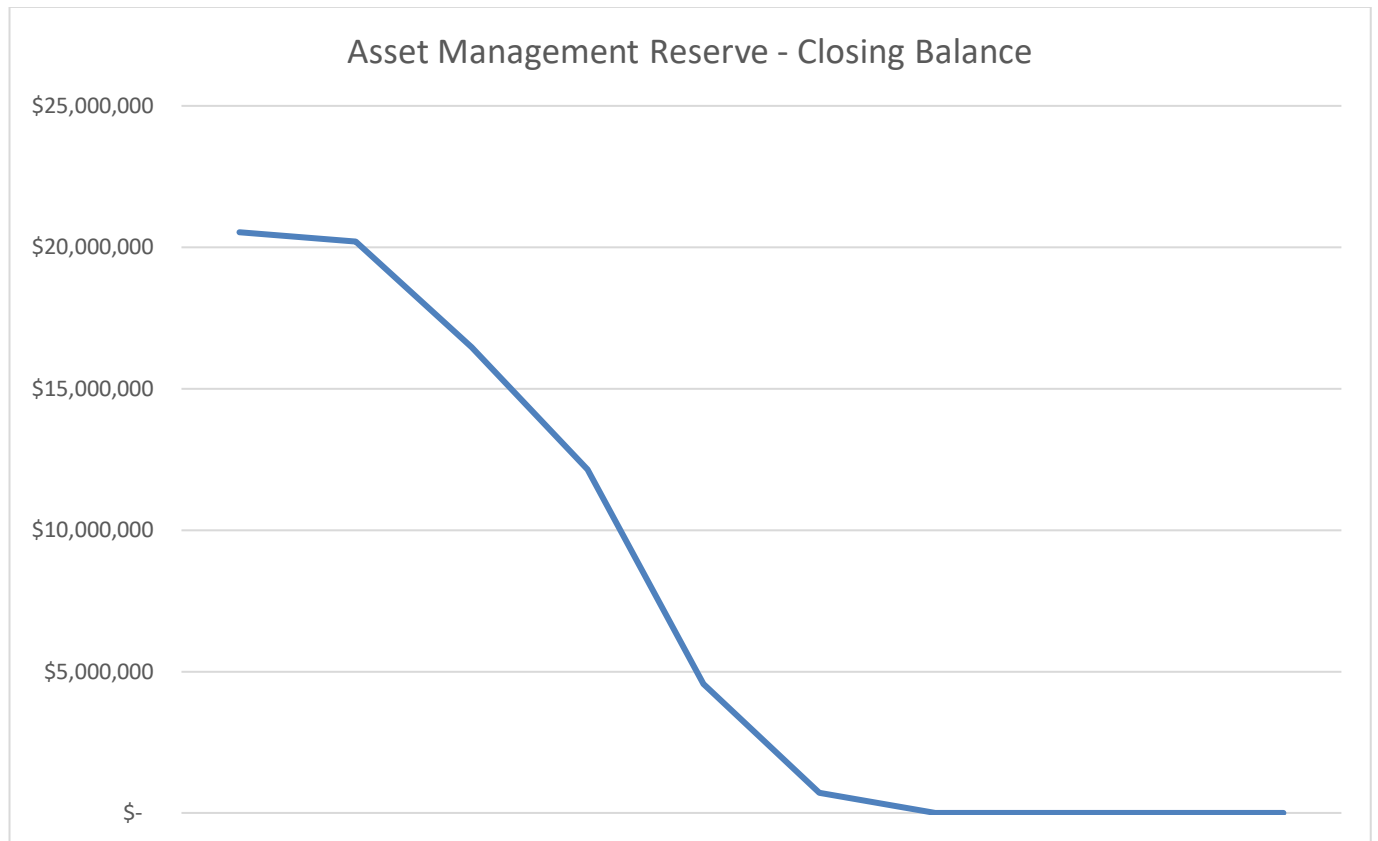
Under this option, the financial ratios that the City has been focusing on improving over the 10 year plan marginally improve however they are not achieved:

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Ratios										
Current Ratio (>1)	1.36	1.81	1.95	1.97	1.99	2.08	2.17	2.30	2.43	2.63
Debt service cover ratio (Basic >2, Advanced >5)	3.84	3.52	2.95	2.40	2.59	2.76	2.69	2.84	2.94	3.04
Own source revenue (Basic >0.4, Intermediate >0.6, Advanced >0.9)	0.86	0.86	0.85	0.85	0.86	0.87	0.87	0.88	0.88	0.89
Operating Surplus ratio (Basic >0.01, Advanced >0.15)	-0.12	-0.12	-0.12	-0.13	-0.12	-0.10	-0.10	-0.09	-0.09	-0.08
Asset Consumption Ratio (Basic >0.5, Improving between 0.6 and 0.75)	0.67	0.66	0.64	0.63	0.62	0.61	0.59	0.58	0.57	0.56
Asset Sustainability Ratio (Basic >0.9, Improving between 0.9 and 1.1)	0.88	1.00	0.95	0.68	0.69	0.67	0.63	0.58	0.57	0.53
Asset renewal ratio (Basic between .75 and .95, improving between .95 and 1.05)	0.87	0.87	1.06	1.05	1.02	0.99	1.00	1.00	1.00	1.00

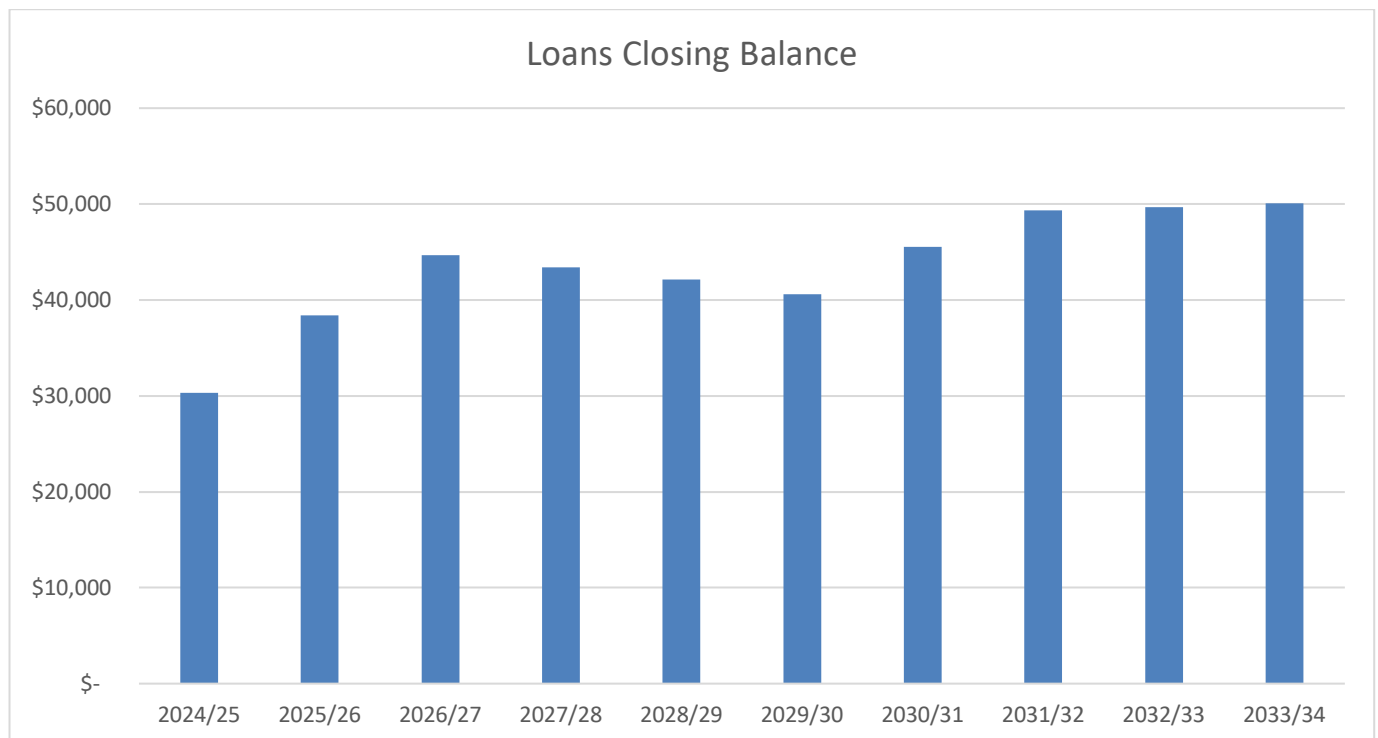
Option 4 - 0%

Option 4 is a rate increase each year of 0%. This represents a \$0 increase in the average residential rates for the 2024/2025 year.

Under this option the Asset Management reserve will decrease over the 10 years to nil:



Borrowings will increase to the maximum of 50% of rates revenue from year 8 onwards resulting in borrowings of \$50.05 million by year 10:



Under this option, the financial ratios that the City has been focusing on improving over the 10 year plan do not approve and the ratios decline over the LTFFP:

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Ratios										
Current Ratio (>1)	1.36	1.81	1.95	1.97	1.99	2.08	2.17	2.30	2.43	2.63
Debt service cover ratio (Basic >2, Advanced >5)	3.47	2.74	1.98	1.34	1.25	1.18	0.87	0.71	0.50	0.33
Own source revenue (Basic >0.4, Intermediate >0.6, Advanced >0.9)	0.84	0.83	0.82	0.80	0.80	0.80	0.79	0.78	0.78	0.77
Operating Surplus ratio (Basic >0.01, Advanced >0.15)	-0.13	-0.15	-0.17	-0.19	-0.20	-0.20	-0.22	-0.22	-0.23	-0.24
Asset Consumption Ratio (Basic >0.5, Improving between 0.6 and 0.75)	0.67	0.66	0.64	0.63	0.62	0.61	0.59	0.58	0.57	0.56
Asset Sustainability Ratio (Basic >0.9, Improving between 0.9 and 1.1)	0.88	0.88	0.78	0.45	0.48	0.37	0.45	0.31	0.29	0.32
Asset renewal ratio (Basic between .75 and .95, improving between .95 and 1.05)	0.87	0.87	1.06	1.05	1.02	0.99	1.00	1.00	1.00	1.00

Further, the option in years 8, 9 and 10 has a deficit position of \$1.1 million, \$6.2 million and \$7.5 million respectively. This is due to the Asset Management Reserve being depleted, borrowings at the maximum under the Financial Position and Performance Policy and renewal expenditure declining to just grant funded projects.

Additional Options

In addition to the options detailed above, as part of the Council Briefings, Elected Members requested that financial modelling be undertaken on the following:

- 5% increase
- 4.5% increase
- 2.98% increase

Noting that no further modelling was undertaken on these options for the purposes of the Council Report.

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 2024/2025 (refer Attachment 1.1) 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 \$0.00347

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 rating strategy.

A Strategic workshop was also held in March 2024 to further develop and refine the strategic financial policy principles, including the rating principle.

There is a 21 day consultation period whereby the community can provide feedback. Council will consider this feedback and determine the 2024/2025 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 (being considered by Council on 21 May 2024)
- City of Mandurah Strategic Community Plan
- City of Mandurah Asset Management Strategy
- City of Mandurah Workforce Plan

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.

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 2024/2025 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 2024/25 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 2024/2025 financial year.

Strategic Implications

The following strategy from the City of Mandurah Strategic Community Plan 2020 – 2040 is relevant to this report:

Organisational Excellence:

- Ensure the City has the capacity and capability to deliver quality services and facilities through accountable and transparent business practices.

Conclusion

Council is requested to adopt Option One, which is a 3.98% increase, 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	\$0.08967	\$1285
Residential Vacant	\$0.17193	\$1064
Business Improved	\$0.09785	\$1285
Business Vacant	\$0.17934	\$1285
Urban Development	\$0.15986	\$1285

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 2024/2025 financial year.

NOTE:

- Refer **Attachment X.1 Statement of Objects and Reasons for Imposing Differential Rates for 2024/2025**

RECOMMENDATION

That Council:

1. Endorse the Statement of Objects and Reasons for the 2024/2025 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 2024/2025 Financial Year as per Attachment 2.1, as outlined below:

Category	Rate in the dollar	Minimum Rate
Residential Improved	\$0.08967	\$1285
Residential Vacant	\$0.17193	\$1064
Business Improved	\$0.09785	\$1285
Business Vacant	\$0.17934	\$1285
Urban Development	\$0.15986	\$1285

3. Approves the following rates in the dollar for the purpose of local public notice of its intention for Specified Area Rates, for the 2024/2025 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	\$0.00347

***ABSOLUTE MAJORITY REQUIRED**

Statement of Object and Reasons for Imposing Differential Rates for 2024/2025

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 2024/2025 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 2024/2025 year, Council is proposing to impose five differential rates as shown in the table below:

Category	Rate in the dollar	Minimum Rate
Residential Improved	\$0.08967	\$1285
Residential Vacant	\$0.17193	\$1064
Business Improved	\$0.09785	\$1285
Business Vacant	\$0.17934	\$1285
Urban Development	\$0.15986	\$1285

Objects and reasons

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

Residential improved land – rate in the dollar \$0.08967

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 \$0.17193

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 \$0.09785

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 \$0.17934

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 \$0.15986

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

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). Note:

- There is 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. This is being phased in over five years commencing in the 2023/24 financial year.
- 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 \$0.00347

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 2024/2025 will be available on the City of Mandurah website.

Closing date for submissions is 20 June 2024 at 5pm.

Following this closing date, Council will be presented with all submissions.