

## **2025/26 ANNUAL BUDGET**

### **EXECUTIVE SUMMARY**

The 2025/26 annual budget is presented herewith for formal consideration by the Council.

Development of the budget has been informed by the City's Council Plan, Long Term Financial Plan and supporting strategic documents, ensuring it is aligned to community objectives and the Council's strategic priorities. It has also been guided by Elected Member workshops in May, June and July.

The budget supports the continued delivery of a broad range of services and facilities to our growing and diverse community, as well as providing for future asset management and capital infrastructure needs across the District. In particular, the budget builds on the Council's commitment to improving future sport and recreation infrastructure, by contributing 2% of total rates revenue to a dedicated financial reserve.

More immediately, the budget makes provision for a new pavilion at the Dunsborough Lakes Sporting Precinct, pending further Council consideration, as well as lighting and other upgrades at various sporting facilities. Essential building upgrades to the City's Leisure Centres are also budgeted.

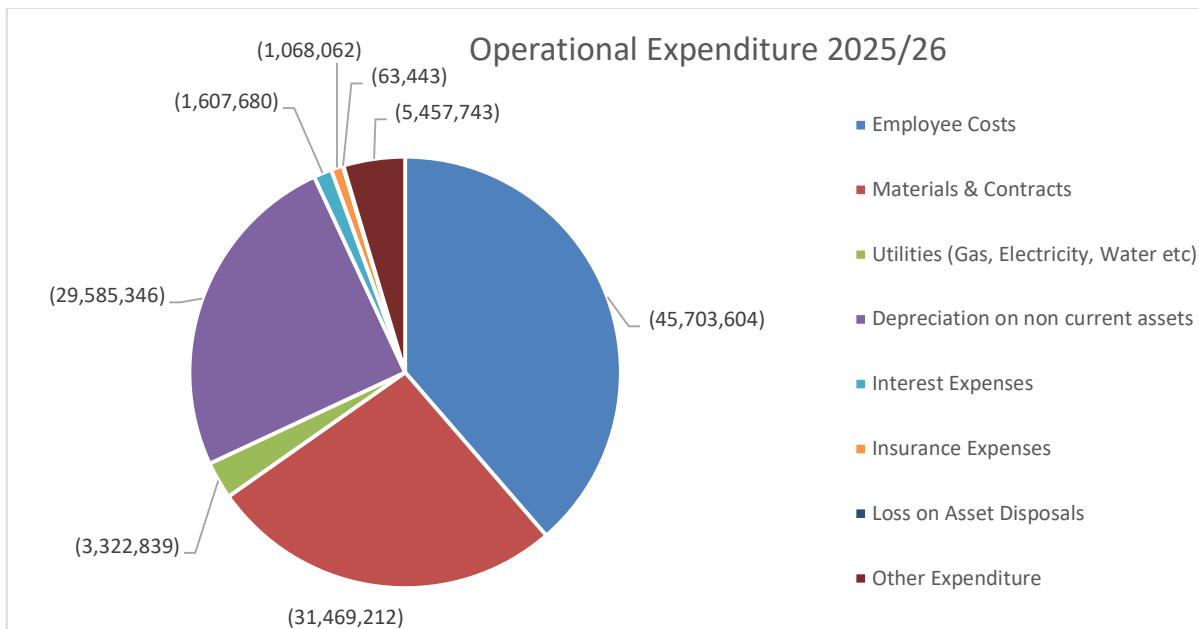
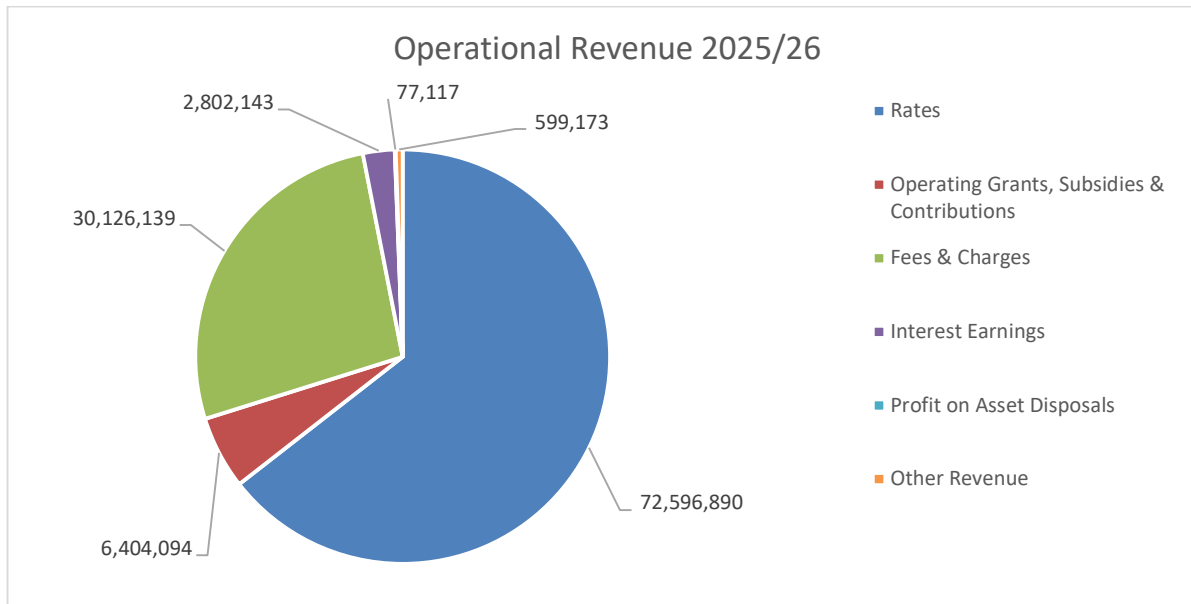
The City has invested additional funding into bushfire mitigation and the creation and maintenance of emergency access ways and has funding to continue with important coastal protection works. With support of state government funding the City will progress development of the Wadandi Track. Expansion of the public car park at the airport and septic upgrades will help to future proof the airport.

The annual budget not only considers short term financial obligations but recognises and makes provision for long term financial commitments. As such the budget presented includes anticipated priorities and desires for the City and its residents over the next twelve months, while also continuing to provide a solid platform by which the City's future financial sustainability can be further built upon.

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### Operations

The following provides a high-level overview of operational Revenue and Expenditure included in the 2025/2026 Budget:



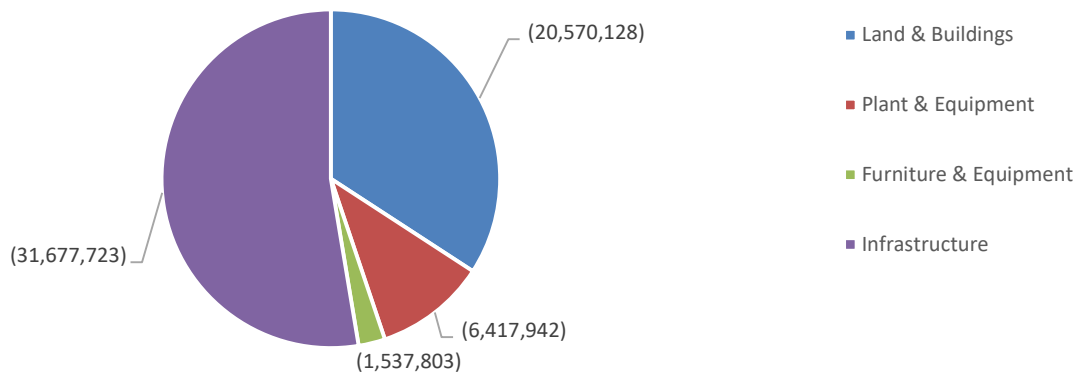
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### Capital Acquisitions and Construction

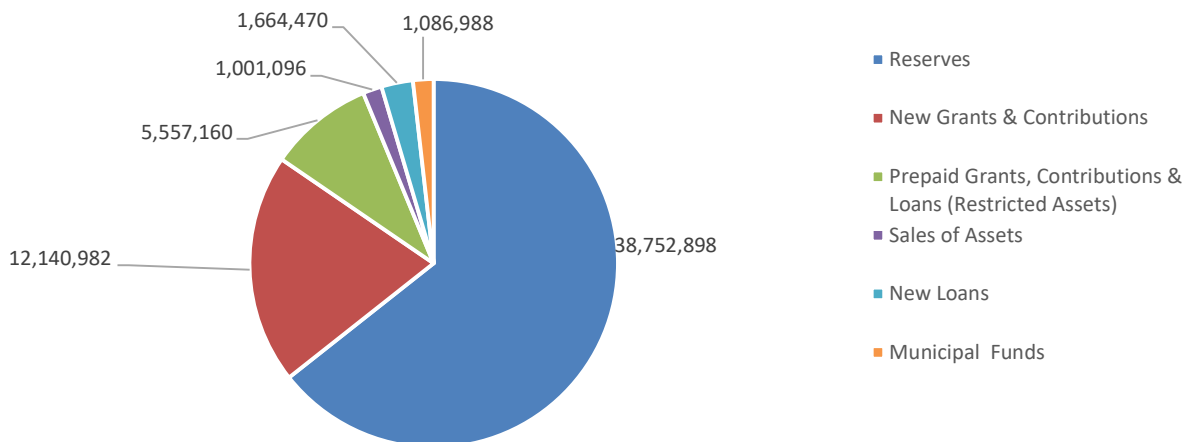
In addition to budgeted operating expenditure of \$118.3M, a further \$60.2M has been earmarked for capital activities in 2025/26. This is summarised by asset class as follows:

• Infrastructure	\$31.7M
• Land and Buildings	\$20.6M
• Plant and Equipment	\$6.4M
• Furniture and Office Equipment	\$1.5M
<b>TOTAL</b>	<b>\$60.2M</b>

Capital Expenditure 2025/26



Capital Funding Sources 2025/26



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

### **Borrowings**

The 2025/26 annual budget includes \$1.9M in proposed new borrowings, for the following purposes:

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

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

⇒ **Dunsborough Lakes Sporting Precinct (\$1.66M)**

Along with developer contributions, prepaid grant funds and reserves, part of the forecast cost of this project is proposed to be funded by loan borrowings. Most of this budget has been carried over from the 2024/25 financial year. The project is currently on pause pending further council deliberations, and it is proposed to draw down on the loan funds only once these further decisions are finalised.

### **Rating**

The Council endorsed its Long-Term Financial Plan 2025 – 2035 in January 2025, at which time a rate increase of 7% was forecast for 2025/26. Further to rate advertising, a rate increase of 6% across all categories except Holiday Homes has been applied, recognising community cost of living pressures while still being able to balance the budget and enable the City to maintain services, facilities and infrastructure at current service levels. A rate increase of 21% will be applied to Holiday Home rating categories, improving parity between the rating contribution of commercial accommodation providers and holiday home operators.

The increase reflects and seeks to balance community cost of living pressures with cost pressures facing the City in delivery of its services, with the following factors impacting:

- Although the consumer price index has eased somewhat over the 2024-25 year, the Local Government Cost Index has increased to 3.6%. This reflects cost increases typically faced by a local government, with the City continuing to face

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pressures associated with salaries and wages, utilities, insurances and ongoing capacity constraints within the construction industry;

- The compounding adverse effect on the rates base of the 0% increase in the COVID year of 2020, plus the subsequent years of smaller increases than the prevailing CPI rates and wage increases;
- Continued growth in the City's asset base – now topping over \$1 billion in closing written down value – with asset management planning indicating the continued and increasing need to set aside funding into reserves for these purposes;
- The increase in the amount of rates set aside for the development of new sport and recreation infrastructure and facilities, something the community continues to demand as a key priority, from 1% in 2024-25 to 2% in the 2025-26 year.

The budget predicts an amount of \$72.6M will be raised via rates.

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

### **Revaluations**

The standard annual revaluation of Unimproved Valuations (UV) has been completed by Landgate Valuation Services (LVS) and will be effective from 1 July 2025. Also completed by LVS was the 3 yearly revaluation of Gross Rental Values (GRV). Although there have been no significant UV valuation changes, there has however been significant increases in the GRV revaluations across all rating categories.

Both Unimproved and Gross Rental Valuations determine the distribution of total rate burden between Ratepayers. While Council can control the total amount of rates to be collected, it is unable to determine what an individual property valuation will be and therefore what rate amount it will contribute. The City has however reduced its rate in the dollar to seek to mitigate, as far as practicable, impacts on revaluations.

Where a properties UV or GRV valuation has increased however then the overall rate may increase above the proposed 6% increase. Conversely where a properties UV or GRV valuation has decreased then the overall rate increase will usually be less.

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Further valuation information can be obtained [www.landgate.wa.gov.au/valuations](http://www.landgate.wa.gov.au/valuations)

### **Waste Charges**

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

Charge Type	2024/2025	2025/2026	Increment
Refuse Removal Commercial	\$190.55	\$195.00	\$4.45
Refuse Removal Domestic	\$190.55	\$195.00	\$4.45
Recycling Fees - Domestic	\$92.90	\$95.00	\$2.10
Recycling Fees - Commercial	\$92.90	\$95.00	\$2.10

### **Waste Avoidance and Resource Recovery Act Charges (WARR Act)**

There has been an increase in the WARR Act charge from \$100 to \$110.

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

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



Tony Nottle  
Chief Executive Officer