City of Gosnells

TEN YEAR FINANCIAL PROJECTION - 2025/26 to 2034/35

		PROPOSED BUDGET 2025/26	PROPOSED BUDGET 2026/27	PROPOSED BUDGET 2027/28	PROPOSED BUDGET 2028/29	PROPOSED BUDGET 2029/30	PROPOSED BUDGET 2030/31	PROPOSED BUDGET 2031/32	PROPOSED BUDGET 2032/33	PROPOSED BUDGET 2033/34	PROPOSED BUDGET 2034/35	COMMENTS
	Growth Rate	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.0%	0.9%	0.8%	0.8%	Rateable Property Growth expectation. Historical average is 1%. Increase in 2025/26 to 2030/31 is due to Southern River Business Park & MKSEA. Expect to reduce from 2031/32 onwards as development is expected to reduce.
	Local Government Cost Index (LGCI)	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	WALGA Economic Briefing March 2025 - Current 24/25FY predicted to be 3.6% but expect 3.3% in 2025-26 and 3% for 2026-27.
	CPI	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Annual CPI for December was 2.4% for Perth & 2.9% in Australia. The 10 year financial plan has assumed a 3% CPI in 2025/26 and onwards.
	Employee Costs	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	Wage price index for September was 3.5% for WA & Australia. For public sector, annual change for September was 3.7%. Estimate 2025/26 and onwards will be 3.5% plus 0.5% superannuation guarantee
	Rates - Proposed Annual Increase	3.9%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	Proposed 3.9% for 2025/26 which includes 0.4% for establishment of tree farm. Proposed rate increase from 2026/27 onwards is based on average anticipated employee cost increase and LGCI.
OPERATING REVENUE												
	Rates Revenue	88,253,269	92,530,212	97,018,806	101,730,743	106,309,503	110,457,113	115,185,622	119,997,709	124,888,092	129,978,282	1) Rates % increase plus estimate rates growth rate, 2) SARs decrease to 12.5% for 2025/26 and 2.5% each year subsequently to nil in 2030/31FY. 3) Introduction of MKSEA Precinct 1 SAR for purchase of land for Clifford St Extension
	Operating Grants, Subsidies and Contributions	7,898,000	8,040,000	8,185,000	8,333,000	8,485,000	8,390,000	8,549,000	8,710,000	8,874,000	9,043,000	Mainly relates to Financial Assistant Grants from Grants Commission (74%)
	Fees and Charges	31,493,790	32,438,370	33,411,440	34,413,590	35,446,410	36,509,520	37,604,570	38,733,210	39,895,120	41,091,990	Main Fees and Charges relates to Waste Fee. Fees and charges have increased by inflation.
	Interest Earnings	6,874,000	5,953,370	5,524,750	5,591,150	5,658,570	5,727,000	5,795,120	5,863,130	5,933,040	6,002,960	Mainly relates to interest earned on investments. The Plan anticipates interest rates to reduce from current rate of 5%. The interest is expected to reduce as a result of anticipated decrease in interest rates and amount of reserve funds to invest.
	Other Revenue	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	Based on amount budgeted every year. This relates to employee contributions towards vehicle running costs.
TOTAL REVENUE		**134,521,059**	**138,963,952**	**144,141,996**	**150,070,483**	**155,901,483**	**161,085,633**	**167,136,312**	**173,306,049**	**179,592,252**	**186,118,232**	
OPERATING EXPENDITURE												
	Employee Costs	(63,368,444)	(65,586,000)	(67,881,000)	(70,257,000)	(72,716,000)	(75,261,000)	(77,895,000)	(80,621,000)	(83,443,000)	(86,364,000)	Net Budget OPEX Prior Yr + 4% (3.5% expected increase), plus 0.5% increment to superannuation guarantee until it reaches 12% in 2025/26.
	Materials and Contracts	(42,120,798)	(47,049,000)	(46,907,000)	(46,031,500)	(46,593,800)	(47,930,000)	(50,348,350)	(50,911,790)	(52,374,000)	(55,092,555)	Net Budget OPEX Prior Yr + CPI increase.
	Utility Charges	(5,501,000)	(5,776,000)	(6,065,000)	(6,368,000)	(6,686,000)	(7,020,000)	(7,371,000)	(7,740,000)	(8,127,000)	(8,533,000)	Net Budget OPEX Prior Yr + estimate 5% increase
	Interest Expenses	(106,111)	(83,625)	(60,795)	(37,618)	(14,087)	-	-	-	-	-	Relates to Central Maddington Loan interest and guarantee fee - Loan will be repaid by 2029/30
	Insurance Expenses	(1,368,000)	(1,436,000)	(1,508,000)	(1,583,000)	(1,662,000)	(1,745,000)	(1,832,000)	(1,924,000)	(2,020,000)	(2,121,000)	Based on 2024/25 actuals plus 10% per LGIS advice. Future years based on Net Budget OPEX Prior Yr + 5% increase
	Other Expenses	(2,054,889)	(1,641,334)	(2,198,627)	(1,742,027)	(2,353,538)	(1,848,163)	(2,518,906)	(1,961,770)	(2,697,760)	(2,081,880)	Net Budget OPEX Prior Yr + LGCI increase. Significant increases every second year is due to election expenses.
TOTAL EXPENDITURE (excluding depreciation and amortisation)		**(114,519,242)**	**(121,571,959)**	**(124,620,422)**	**(126,019,145)**	**(130,025,425)**	**(133,804,163)**	**(139,965,256)**	**(143,158,560)**	**(148,661,760)**	**(154,192,435)**	The operating expenditure does not include expected increase in employee costs and materials and costs once SPLASH is constructed.
REPAYMENT OF LOANS & LEASES												
Repayment from municipal funds	Central Maddington ODP - Principal - 10 yr	(1,006,648)	(1,022,007)	(1,037,600)	(1,053,432)	(1,069,505)	-	-	-	-	-	10 year long term loan taken out for the City's contribution towards works within the Central Maddington DCP
Repayment from MKSEA SAR	MKSEA SAR Loan - 5 year	(647,402)	(643,715)	(639,932)	(635,894)	(631,720)						
Repayment from municipal funds	Laptop & desktop lease payments	(165,000)	(275,000)	(385,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	(440,000)	Expected lease payments for laptops and desktops
Repayment from municipal funds	Photocopier lease payments	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	Expected lease payments for photocopiers
TOTAL REPAYMENT OF LOANS		**(1,919,050)**	**(2,040,722)**	**(2,162,532)**	**(2,229,326)**	**(2,241,225)**	**(540,000)**	**(540,000)**	**(540,000)**	**(540,000)**	**(540,000)**	
RESERVES TRANSFERS												
	Transfer to Reserve	(9,628,927)	(11,615,801)	(12,485,844)	(13,810,566)	(8,548,284)	(8,604,208)	(9,592,356)	(11,899,978)	(11,057,998)	(11,553,868)	Money set aside from municipal funds in reserves for future expenditure required and the interest earned on reserves balances.
	Transfer from Reserve	3,104,448	6,757,840	5,149,395	2,112,904	1,587,893	664,600	1,918,554	768,987	980,592	1,898,958	Operating costs funded from reserves, e.g DCP administration costs, Local Government Election (every 2 years), Rates Revaluation (every 3 years), Asset Management revaluations.
NET RESERVES TRANSFERS		**(6,524,480)**	**(4,857,962)**	**(7,336,449)**	**(11,697,662)**	**(6,960,391)**	**(7,939,608)**	**(7,673,802)**	**(11,130,991)**	**(10,077,406)**	**(9,654,910)**	
NET MUNICIPAL FUNDING AVAILABLE FOR CAPITAL		**11,558,288**	**10,493,310**	**10,022,593**	**10,124,350**	**16,674,442**	**18,801,862**	**18,957,254**	**18,476,498**	**20,313,086**	**21,730,887**	
CAPITAL EXPENDITURE												
	Asset Renewal	(11,050,579)	(11,215,511)	(11,617,090)	(11,887,700)	(12,132,597)	(13,053,690)	(12,866,690)	(13,330,930)	(13,800,000)	(14,220,000)	
	Furniture and Minor Equipment	(100,000)	(103,000)	(106,000)	(109,000)	(112,000)	(115,000)	(118,000)	(122,000)	(126,000)	(130,000)	Furniture and Equipment Requests plus new FTEs. Amount based on last few financial years
	IT Capital	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	IT Capital Requests
	Parks and Environmental	(795,793)	(1,063,000)	(1,930,215)	(1,141,720)	(929,000)	(957,000)	(986,000)	(1,016,000)	(1,046,000)	(1,077,000)	Construction of 4 x Dog Parks (1 per year from 2025/26) and Peace Park in 2025/26.
	Paths and Drains	(2,944,956)	(615,000)	(1,030,000)	(1,096,000)	(1,462,000)	(1,479,000)	(1,496,000)	(1,064,000)	(1,082,000)	(651,000)	
	Roads & Bridges	(9,659,050)	(9,470,850)	(9,115,850)	(9,355,851)	(8,480,000)	(8,735,000)	(8,998,000)	(9,268,000)	(9,546,000)	(9,833,000)	
	Significant Projects	(15,000,335)	(23,441,378)	(18,167,936)	(35,153,247)	(61,472,799)	(17,904,963)	(3,034,386)	(2,260,957)	(1,684,562)	(1,605,081)	Refer to Significant Project for more information. Amount includes interest on loan borrowings for Southern River Business Park in 2025/26 ($1.3m) and SPLASH from 2029/30 FY onwards ($0.9m in 2029/30FY reducing to $0.78m in 2034/35FY)
TOTAL CAPITAL EXPENDITURE		**(39,700,713)**	**(46,058,739)**	**(42,117,091)**	**(58,893,518)**	**(84,738,396)**	**(42,394,653)**	**(27,649,076)**	**(27,211,887)**	**(27,434,562)**	**(27,666,081)**	
NON - OPERATING GRANTS AND LOAN FUNDING												
	Non-Operating Grants and Contributions	16,762,679	14,201,331	8,942,112	27,760,184	33,288,000	7,596,666	7,811,666	7,807,333	8,034,666	8,044,333	2028/29FY & 2029/30FY includes estimated $66m for SPLASH
	Proceeds of Loans	-	-	800,000	-	22,200,000	14,800,000	-	-	-	-	$800k borrowing for Peace Park & $18m borrowing for SPLASH
	Sale of Plant & Equipment Assets	690,000	859,000	884,900	911,500	939,000	967,200	996,300	1,026,300	1,057,200	1,088,800	
	Land Sales	39,041,428	-	880,000	880,000	-	-	-	-	-	-	Land sales from Southern River Business Park (2025/26) and Peace Park Subdivision (2027/28 & 2028/29)
TOTAL NON-OPERATING GRANTS AND LOAN FUNDING		**56,494,107**	**15,060,331**	**11,507,012**	**29,551,684**	**56,427,000**	**23,363,866**	**8,807,966**	**8,833,633**	**9,091,866**	**9,133,133**	
REPAYMENT OF LOANS - CAPITAL												
Repayment from sale of assets	Repayment of Loan(s) for Peace Park Subdivision	-	-	(392,080)	(407,920)	-	-	-	-	-	-	Repayment of loan principal for Peace Park 8 Lot subdivision. Interest on loans are recognised as part of the capital expenditure.
Repayment from sale of assets	Repayment of Loan(s) for Significant Projects	(25,529,758)	-	-	-	(1,237,377)	(1,287,367)	(1,339,376)	(1,393,487)	(1,449,784)	(1,508,355)	Repayment of loan principal for Southern River Business Park (SRBP) loan (2025/26) and SPLASH. Interest on loans are recognised as part of the capital expenditure. SPLASH loan will be about $3m repayments per year (including interest).
TOTAL REPAYMENT OF LOANS - CAPITAL		**(25,529,758)**	**-**	**(392,080)**	**(407,920)**	**(1,237,377)**	**(1,287,367)**	**(1,339,376)**	**(1,393,487)**	**(1,449,784)**	**(1,508,355)**	
RESERVES TRANSFERS - CAPITAL PROJECTS		**(2,661,873)**	**20,771,230**	**21,268,108**	**19,780,747**	**12,921,241**	**4,256,334**	**3,474,744**	**3,489,700**	**3,594,800**	**3,702,200**	Approx. $2.7m for Fleet replacement, $1m for Parks and remaining to fund Significant Projects such as Langford Indoor Sports Centre, SPLASH and City's match funding towards State Government's $10.6m funding for the Sutherlands Park Master Plan.
NET MUNICIPAL FUNDING REQUIRED FOR CAPITAL		**(11,398,237)**	**(10,227,178)**	**(9,734,051)**	**(9,969,007)**	**(16,627,532)**	**(16,061,819)**	**(16,705,742)**	**(16,282,041)**	**(16,197,680)**	**(16,339,103)**	
MUNICIPAL FUNDS AVAILABLE FOR FURTHER STRATEGIC INITIATIVES		**160,051**	**266,132**	**288,542**	**155,343**	**46,910**	**2,740,043**	**2,251,512**	**2,194,457**	**4,115,406**	**5,391,784**	
Ordinary Reserves available		**70,229,002**	**53,886,127**	**39,482,589**	**30,639,623**	**23,463,834**	**25,664,803**	**27,490,568**	**32,763,485**	**36,978,760**	**40,724,817**	