**City of Gosnells**

| TEN YEAR FINANCIAL PROJECTION - 2026/27 to 2035/36 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 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** | PROPOSED BUDGET **2035/36** | COMMENTS |
| | Growth Rate | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 0.9% | 0.9% | 0.9% | 0.9% | Rateable Property Growth expectation. Historical average is 1%. Increase in 2026/27 to 2031/32 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% | 2.8% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | WALGA Economic Briefing - Mar 26 quarter anticipates LGCI at 3.3% in 2026/27, 3% in 2027/28 and 2.8% for 2028/29. For 2029/30, anticipate LGCI to be same as CPI of 3% |
| | CPI | 4.0% | 4.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | Annual CPI for May was 4% for Perth & Australia. The 10 year financial plan has assumed a 4% in 2027/28 before decreasing to 3% in 2028/29 onwards. |
| | Employee Costs | 6.0% | 6.0% | 4.0% | 4.0% | 4.0% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | Employee costs have increased on average 6% over the last four years. Increase of 6% for 2026/27 & 2027/28. Reducing to 4% for 3 years after. |
| | Rates - Proposed Annual Increase | 4.0% | 3.9% | 3.9% | 3.9% | 3.9% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | Proposed 4% for 2026/27 (May CPI), 3.9% for 2027/28 & 2028/29 which includes 0.4% for establishment of tree farm. |
| **OPERATING REVENUE** | | | | | | | | | | | | |
| | Rates Revenue | 92,933,037 | 97,716,335 | 102,747,470 | 108,042,344 | 112,974,042 | 118,447,074 | 123,694,521 | 129,174,489 | 134,897,116 | 140,873,894 | 1) Rates % increase plus estimate rates growth rate,<br>2) SARs decrease to 10% for 2026/27 and 2.5% each year subsequently to nil in 2030/31FY.<br>3) MKSEA Precinct 1 SAR of $640,197 per year until 2029/30 for purchase of land for Clifford St Extension |
| | Operating Grants, Subsidies and Contributions | 8,769,000 | 8,961,000 | 9,132,000 | 9,307,000 | 9,236,000 | 9,418,000 | 9,605,000 | 9,795,000 | 9,990,000 | 10,189,000 | Mainly relates to Financial Assistant Grants from Grants Commission (68%) |
| | Fees and Charges | 33,964,350 | 35,323,320 | 36,382,700 | 37,473,840 | 38,598,400 | 39,756,040 | 40,948,460 | 42,177,370 | 43,442,510 | 44,745,640 | Main Fees and Charges relates to Waste Fee. Fees and charges have increased by inflation plus additional revenue expected from Langford Indoor Sports Centre |
| | Interest Earnings | 6,680,000 | 6,612,440 | 6,692,900 | 6,774,380 | 6,856,880 | 6,939,390 | 7,019,460 | 7,101,530 | 7,184,620 | 7,269,710 | 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** | | **142,348,387** | **148,615,095** | **154,957,070** | **161,599,564** | **167,667,322** | **174,562,504** | **181,269,441** | **188,250,389** | **195,516,246** | **203,080,244** | |
| **OPERATING EXPENDITURE** | | | | | | | | | | | | |
| | Employee Costs | (66,453,000) | (70,441,000) | (73,258,000) | (76,188,000) | (79,235,000) | (82,008,000) | (84,878,000) | (87,849,000) | (90,924,000) | (94,107,000) | Net Budget OPEX Prior Yr + 6% includes new FTE for 2026/27 and 2027/28. Reducing to 4% for next three years to 2030/31 and then 3.5% subsequently. |
| | Materials and Contracts | (44,607,198) | (46,337,000) | (47,114,400) | (49,103,800) | (50,515,000) | (51,541,740) | (53,653,790) | (55,199,000) | (56,325,644) | (58,561,000) | Net Budget OPEX Prior Yr + CPI increase. $100,000 increase in 2026/27 for Langford Indoor Sports Centre. |
| | Utility Charges | (6,051,000) | (6,354,000) | (6,672,000) | (7,006,000) | (7,356,000) | (7,724,000) | (8,110,000) | (8,516,000) | (8,942,000) | (9,389,000) | Net Budget OPEX Prior Yr + estimate 10% increase for 2026/27 as a result of significant facilities operating such as Langford Indoor Sports Centre and 5% for the following years. |
| | Interest Expenses | (186,933) | (137,990) | (87,521) | (35,602) | - | - | - | - | - | - | Interest expenditure for MKSEA Precinct 1 and Central Maddington ODP loans |
| | Insurance Expenses | (1,436,000) | (1,508,000) | (1,583,000) | (1,820,000) | (1,911,000) | (2,007,000) | (2,107,000) | (2,212,000) | (2,323,000) | (2,439,000) | Based on 2025/26 actuals plus 5%. |
| | Other Expenses | (1,584,640) | (2,110,175) | (1,698,924) | (2,258,704) | (1,804,631) | (1,859,293) | (1,916,083) | (2,609,006) | (2,034,066) | (2,095,268) | Net Budget OPEX Prior Yr + LGCI increase. Significant increases in 2027/28, 2029/30 & 2033/34 is due to election expenses. |
| **TOTAL EXPENDITURE (excluding depreciation and amortisation)** | | **(120,318,771)** | **(126,888,165)** | **(130,413,845)** | **(136,412,106)** | **(140,821,631)** | **(145,140,033)** | **(150,664,873)** | **(156,385,006)** | **(160,548,710)** | **(166,591,268)** | 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 | (1,022,007) | (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 | (540,406) | (562,737) | (585,991) | (610,205) | - | - | - | - | - | - | 5 year loan taken out for MKSEA Precinct 1 for the purchase of land for Clifford St extension. Loan is repaid by SAR. |
| Repayment from municipal funds | Laptop & desktop lease payments | (275,000) | (286,000) | (295,000) | (304,000) | (313,000) | (322,000) | (332,000) | (342,000) | (352,000) | (363,000) | Expected lease payments for laptops and desktops |
| Repayment from municipal funds | Photocopier lease payments | (100,000) | (106,000) | (110,000) | (114,000) | (119,000) | (123,000) | (127,000) | (131,000) | (136,000) | (141,000) | Expected lease payments for photocopiers |
| **TOTAL REPAYMENT OF LOANS** | | **(1,937,413)** | **(1,992,337)** | **(2,044,423)** | **(2,097,710)** | **(432,000)** | **(445,000)** | **(459,000)** | **(473,000)** | **(488,000)** | **(504,000)** | |
| **RESERVES TRANSFERS** | | | | | | | | | | | | |
| | Transfer to Reserve | (12,332,767) | (13,590,947) | (17,288,537) | (14,625,915) | (15,059,134) | (15,771,603) | (15,385,175) | (11,501,872) | (12,719,727) | (12,740,784) | Money set aside from municipal funds in reserves for future expenditure. |
| | Transfer from Reserve | 2,298,483 | 7,400,683 | 6,575,513 | 2,007,586 | 681,464 | 1,440,269 | 787,789 | 1,382,889 | 1,582,856 | 796,983 | Operating costs funded from reserves, e.g DCP administration costs, Local Government Election, Rates Revaluation (every 3 years), Asset Management revaluations. |
| **NET RESERVES TRANSFERS** | | **(10,334,284)** | **(6,350,264)** | **(10,713,024)** | **(12,618,330)** | **(14,377,670)** | **(14,331,334)** | **(14,597,386)** | **(10,118,983)** | **(11,136,871)** | **(11,943,801)** | |
| **NET MUNICIPAL FUNDING AVAILABLE FOR CAPITAL** | | **9,757,918** | **13,384,329** | **11,785,778** | **10,471,419** | **12,036,021** | **14,646,137** | **15,548,182** | **21,273,400** | **23,342,665** | **24,041,175** | |
| **CAPITAL EXPENDITURE** | | | | | | | | | | | | |
| | Asset Renewal | (15,040,990) | (11,483,290) | (11,744,140) | (12,394,381) | (11,785,354) | (12,902,079) | (13,402,554) | (13,726,544) | (14,512,721) | (14,896,232) | |
| | Furniture and Minor Equipment | (100,000) | (104,000) | (107,000) | (110,000) | (113,000) | (116,000) | (119,000) | (123,000) | (127,000) | (131,000) | Furniture and Equipment Requests plus new FTEs. Amount based on last few financial years |
| | IT Capital | (175,000) | (200,000) | (206,000) | (212,000) | (218,000) | (225,000) | (232,000) | (239,000) | (246,000) | (253,000) | New IT Capital Requests |
| | Parks and Environmental | (1,513,000) | (2,553,000) | (1,587,000) | (1,184,048) | (966,000) | (995,000) | (1,025,000) | (1,056,000) | (1,088,000) | (1,121,000) | Construction of 3 x Dog Parks (1 per year from 2025/26) and Peace Park in 2026/27. |
| | Paths and Drains | (1,524,423) | (1,433,567) | (1,067,000) | (1,099,450) | (1,132,364) | (1,166,754) | (1,201,637) | (1,238,026) | (1,274,937) | (1,313,385) | |
| | Roads & Bridges | (8,285,000) | (9,286,850) | (8,925,850) | (8,038,000) | (8,279,000) | (8,528,000) | (8,784,000) | (9,048,000) | (9,320,000) | (9,600,000) | |
| | Significant Projects | (16,682,295) | (18,101,972) | (1,250,000) | (1,250,000) | - | - | - | - | - | - | Refer to Significant Project for more information. |
| **TOTAL CAPITAL EXPENDITURE** | | **(43,320,708)** | **(43,162,679)** | **(24,886,990)** | **(24,287,879)** | **(22,493,718)** | **(23,932,833)** | **(24,764,191)** | **(25,430,570)** | **(26,568,658)** | **(27,314,617)** | |
| **NON - OPERATING GRANTS AND LOAN FUNDING** | | | | | | | | | | | | |
| | Non-Operating Grants and Contributions | 13,677,080 | 12,273,799 | 7,867,350 | 6,947,559 | 7,155,515 | 7,371,377 | 7,593,486 | 7,822,179 | 8,057,802 | 8,300,360 | Grant contributions for road projects (MRRG and Roads to Recovery) and the $10.6m for Sutherlands Park Master Plan projects |
| | Proceeds of Loans | - | - | - | - | - | - | - | - | - | - | |
| | Sale of Plant & Equipment Assets | 944,000 | 1,021,950 | 1,052,500 | 1,083,950 | 972,617 | 1,001,850 | 1,031,900 | 1,062,850 | 1,094,750 | 1,127,550 | |
| | Land Sales | - | 1,200,000 | 1,200,000 | - | - | - | - | - | - | - | Land sales from Peace Park Subdivision (2027/28 & 2028/29) |
| **TOTAL NON-OPERATING GRANTS AND LOAN FUNDING** | | **14,621,080** | **14,495,749** | **10,119,850** | **8,031,509** | **8,128,132** | **8,373,227** | **8,625,386** | **8,885,029** | **9,152,552** | **9,427,910** | |
| **REPAYMENT OF LOANS - CAPITAL** | | | | | | | | | | | | |
| Repayment from sale of assets | Repayment of Loan(s) for Significant Projects | - | - | - | - | - | - | - | - | - | - | |
| **TOTAL REPAYMENT OF LOANS - CAPITAL** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | |
| **RESERVES TRANSFERS - CAPITAL PROJECTS** | | **18,977,841** | **15,284,022** | **3,052,500** | **5,967,098** | **4,005,716** | **4,102,150** | **3,575,574** | **3,503,150** | **3,608,250** | **3,716,450** | Approx. $4.1m for Fleet replacement (incl. Waste trucks) per year, $1.5m for Parks and remaining to fund Significant Projects such as the City's match funding towards State Government's $10.6m funding for the Sutherlands Park Master Plan. |
| **NET MUNICIPAL FUNDING REQUIRED FOR CAPITAL** | | **(9,721,787)** | **(13,382,909)** | **(11,714,640)** | **(10,289,272)** | **(10,359,870)** | **(11,457,456)** | **(12,563,231)** | **(13,042,391)** | **(13,807,855)** | **(14,170,258)** | |
| **MUNICIPAL FUNDS AVAILABLE FOR FURTHER STRATEGIC INITIATIVES** | | **36,131** | **1,420** | **71,138** | **182,147** | **1,676,151** | **3,188,681** | **2,984,951** | **8,231,009** | **9,534,810** | **9,870,917** | |
| **Ordinary Reserves available** | | **63,405,503** | **53,454,041** | **59,971,123** | **65,386,849** | **74,208,042** | **82,572,731** | **91,807,896** | **96,717,392** | **102,557,907** | **109,125,134** | |