

Presented to	Ordinary Meeting of Council to be held Tuesday 17 June 2025
Related to Item	Item c25/287 Consideration and Adoption of 2025-2026 Budget
Submitted by	Director Corporate Services
Attachments	Nil.

The information provided below is intended to provide additional officer advice in relation to the motion proposed by Cr C Ross

MOTION

That the Council:

- Adopt the following Rate in the Dollar and Minimum Rates for the purpose of the 2025-2026 financial year rate setting that equates to an increase of 3.5% compared to 2024-2025:**

Rating Category	Proposed Rate in Dollar	Minimum Rate
Residential Improved/Unimproved	7.581514	\$ 1,484.62
Commercial Improved/unimproved	9.340458	\$1,203.68

- Remove the budget allocation for the proposed footpath at Dunvegan Road from the Capital Works Program.**

REASONS FOR THE MOTION

- The Reserve Bank of Australia has recognised that there is a current cost-of-living crisis and is reducing interest rates to provide relief to struggling residents;
- The State Government has indicated that the cost of Water and Electricity will be increased in the State Budget due to be released in mid June 2025;
- Increasing the rates beyond 3.5% is unnecessary as the rate rise is predominantly to fund capital expenditure and there are no projects of such urgency that require placing any additional burden on ratepayers;
- The State Government has recognised a spike in domestic violence which is attributed to increased financial stress on ratepayers;
- The City can fulfil all of its obligations to City of Melville residents and ratepayers by only levying rates at an increase of 3.5% on 24/25 levels.
- The proposed reduction of 1% down from the advertised 4.5% can be readily recouped in the 26/27 year, because that is a GRV revaluation year and the City has already recognised that the Rate in the Dollar will need to be reduced by approximately 6.28% in the 26/27 Rates.
- Raising the rates by 4.5% or 7.654765 in 25/26 and then reducing by 6.28% to 7.202438, is an unnecessary spike in rates when ratepayers can least afford it.
- The reduction to 3.5% or 7.581514 will require a reduction of 5.2% or 7.275689 cents in the dollar which is a lesser spike and will give ratepayers some breathing space.

Engagement Implications

As per the Council's resolution at its Ordinary Meeting of Council on 20 May 2025, a notice of intention to impose Differential Rates was featured on the City of Melville's website on Wednesday 21 May 2025 and in newspapers as follows:

- Perth Now Melville on Thursday 22 May 2025
- Melville Herald on Saturday 24 May 2025

The notice was also advertised on e-news on Wednesday, 21 May 2025 and hardcopies were available for inspection at the City's Libraries, Leisurefit Centres and Civic Centre from Wednesday 21 May 2025. In addition, for the first time 5,000 households were randomly selected and emailed directly, seeking feedback on the proposed differential rates.

The public comment period (21 days) ended on Thursday 12 June 2025, with 449 valid submissions received.

Financial Implications

The proposed 2025/26 Budget has been balanced with no surplus or deficit, based on a 4% rate increase. Adopting a lower increase, such as 3.5%, would result in an estimated shortfall of approximately \$548,540.00 in the first year. Over the duration of the current Long Term Financial Plan (LTFP), this shortfall would have a compounding effect, potentially resulting in an accumulative budget impact in the millions.

It should also be noted, that the proposed footpath and road resurfacing project at Dunvegan Road in Applecross, has already been removed from the 2025-2026 Capital Works Program and will be included in the Long Term Financial Plan for the 2026/27 financial year.

Legislative and Policy Implications

The 2025/26 Budget as presented meets the required statutory obligations.

The Budget has been developed on the principles outlined in the Council's policies:

- CP-008 Financial Sustainability – Forward Financial Planning and Funding Allocation Policy;
- CP-024 Borrowings and Asset Financing Policy;
- CP-031 Asset Management Policy;
- CP-091 Elected Members Allowances and Expenses;
- CP-092 Elected Members Professional Development;
- CP-025 Accounting Policy.

Consequences or Alternative Options

During a revaluation year (next due 2026/27), property values can fluctuate significantly depending on market conditions and location. A modest rate increase may help to moderate the impact of valuation changes in revaluation years, by lessening potential rate fluctuations for properties with above-average GRV increases.

A reduction in the proposed rate in the dollar for 2025/26 would result in a Budget deficit of approximately \$548,540. To maintain a balanced Budget, this would require either a corresponding reduction in proposed expenditure, or an increase in transfers from reserves to offset the shortfall.