

AGENDA.

Special Council Meeting

18 June 2026

Notice of Meeting

Mayor and Councillors

The next Special Council Meeting of the City of South Perth Council will be held on Thursday 18 June 2026 in the City of South Perth Council Chamber, corner Sandgate Street and South Terrace, South Perth commencing at 6.00pm.

The purpose of the meeting is to consider the draft Annual Budget 2026/27.



ANITA AMPRIMO
ACTING CHIEF EXECUTIVE OFFICER

12 June 2026

Acknowledgement of Country

Kaartdjinin Nidja Nyungar Whadjuk Boodjar Koora Nidja Djining Noonakoort kaartdijin wangkiny, maam, gnarnk and boordier Nidja Whadjuk kura kura.

We acknowledge and pay our respects to the traditional custodians of this land, the Whadjuk people of the Noongar nation and their Elders past and present.

Our Guiding Values



Disclaimer

Members of the public are cautioned against taking any action as a result of a Council decision until such time as they have seen a copy of the Minutes or been advised, in writing, by the Council's Administration with regard to any particular decision.

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Special Council Meeting - Agenda

1. **DECLARATION OF OPENING**
2. **ANNOUNCEMENTS FROM THE PRESIDING MEMBER**
3. **ATTENDANCE**

- 3.1 **APOLOGIES**

- 3.2 **APPROVED LEAVE OF ABSENCE**

Nil.

4. **DECLARATION OF INTERESTS**

5. **PUBLIC QUESTION TIME**

In accordance with Regulation 7 of the *Local Government (Administration) Regulations 1996* all questions asked at this meeting must relate to the purpose of the meeting.

6. **DEPUTATIONS**

7. REPORTS

7.0 STRATEGIC DIRECTION 4: LEADERSHIP

7.0.1 Adoption of the Annual Budget 2026/27

File Ref: D-26-11537

Reporting Officer(s): Donna Shaw, Acting Director Corporate Services

Summary

This report presents the draft Annual Budget 2026/27 for adoption by Council.

The City is continuing to prudently manage its finances through current challenging times whilst remaining conscious of the need to provide quality services to its community, maintain and renew the City's large asset and infrastructure portfolio and keep cost increases as low as possible. The preparation of the draft 2026/27 budget, as presented in this report has been guided by Council's adopted strategic documents including the Strategic Community Plan and the Long Term Financial Plan whilst considering the more recent developments in both national and worldwide economic conditions.

Over the past three months, four budget workshops were held with Council to review the City's financial position and develop a budget that achieves a breakeven result. This budget has been guided by the principles applied to previous budgets, which sought to return the City to a sustainable operating surplus over the short to medium term.

Perth CPI was 4.6% to March 2026, indicating inflation remains above the government target. Council adopted a 2.8% rates increase last year, in line with March 2025 Perth CPI, and over the past seven years, cumulative rate increases remained below March CPI.

To achieve a breakeven position and fund community services whilst making prudent efforts towards funding infrastructure and asset maintenance and renewal, a 5.95% rates revenue increase is recommended for the 2026/27 draft Annual Budget. This reflects ongoing cost pressures, including higher utilities, construction, materials, fuel, insurance and contracted services.

The budget proposes a \$20 increase in the City's waste charge to \$450, in line with March 2026 CPI.

In the short to medium term, ensuring the City achieves a sustainable net operating surplus remains essential to its long-term financial sustainability. It allows investment in renewing ageing community infrastructure, including recreation facilities, playgrounds, roads and drainage. Sustained operating deficits would limit the City's ability to renew assets and maintain services.

The Valuer General revalued all the City's rateable properties this year under the three-year cycle, changing each property's Gross Rental Value (GRV) and increasing average GRVs by more than 36%. As a result, the 5.95% rates increase will not apply evenly; some properties will increase by more or less than this percentage.

This year's budget forecasts a net operating breakeven position, with operating revenue and expenditure both at \$80.15 million. It also includes a \$44.92 million capital works program, including \$8.63 million in projects expected to be carried forward on 30 June 2026. More than 80% of this funding is directed to renewal and replacement of ageing assets, with some new assets also planned.

Officer Recommendation

1. That by absolute majority decision Council, in relation to the City of South Perth 2026/27 Annual Budget:
 - (a) adopts a General Rate in the Dollar of .060585 applied to the Gross Rental Value (GRV) of all rateable property within the City for the year ending 30 June 2027;
 - (b) adopts a Minimum Rate of \$1,318 be set for the year ending 30 June 2027 notwithstanding the General Rate set out in part (a) above;
 - (c) adopts the following Waste Service Charges be applied for the year ending 30 June 2027:
 - i. a standard Waste Service Charge of \$450;
 - ii. a non-rateable property Waste Service Charge of \$625;
 - (d) adopts the Swimming Pool Inspection Fee for the year ending 30 June 2027 of \$78.00;
 - (e) adopts the dates for payment of rates by instalments as:

Two instalments

First instalment	3 September 2026
Second instalment	24 November 2026

Four instalments

First instalment	3 September 2026
Second instalment	3 November 2026
Third instalment	4 January 2027
Fourth instalment	4 March 2027
 - (f) adopts an Administration Charge of \$14.00 per instalment for payment of rates and charges by instalments be applied to the second, third and fourth instalment in accordance with Section 6.45(3) and (4) of the *Local Government Act 1995* and Regulation 67 of the Local Government (Financial Management) Regulations 1996;
 - (g) adopts an Interest Rate of 5.5% to be imposed on payment by instalments, to apply to the second, third and fourth instalment in accordance with Section 6.45(3) of the *Local Government Act 1995* and Regulation 68 of the Local Government (Financial Management) Regulations 1996;
 - (h) adopts an Interest Rate of 11% to be imposed on overdue rates in accordance with Section 6.51(1) of the *Local Government Act 1995* and Regulation 70 of the Local Government (Financial Management) Regulations 1996;

- (i) adopts an Interest Rate of 11% to be imposed on unpaid Underground Power (UGP) Service Charges in accordance with Section 6.51(1) of the *Local Government Act 1995* and Regulation 70 of the Local Government (Financial Management) Regulations 1996;
- (j) adopts an Interest Rate of 11% that may be imposed on outstanding debtors in accordance with Section 6.13(1) of the *Local Government Act 1995*.
- (k) adopts the Statutory Annual Budget for the year ending 30 June 2027 comprising Section 2 of the 2026/27 Annual Budget as distributed with this Agenda and tabled at this meeting;
- (l) endorses the Management Budget Schedules for the financial year ending 30 June 2027 as set out in Section 3 of the Annual Budget;
- (m) adopts the Capital Expenditure Budget for the financial year ending 30 June 2027 as set out in Section 2, Note 4 of the Annual Budget;
- (n) approves the Reserve Fund transfers for the financial year ending 30 June 2027 as set out in Section 2, Note 7 of the Annual Budget;
- (o) approves the creation of the Environmental Sustainability Reserve Fund established to quarantine funds for the protection of the natural environment including urban greening, natural resources management and protection, and is funded by specific transfers as approved by Council as set out in Section 2, Note 7 of the Annual Budget;
- (p) approves the creation of the South Perth Activity Centre Community Benefit Contribution Fund to quarantine community benefit contributions received within the South Perth Activity Centre Plan area. The use of money in it is limited to the application of funds for delivery of community benefits within the South Perth Activity Centre Plan area in accordance with the provisions of the South Perth Activity Centre Plan and is funded by community benefit contributions, as set out in Section 2, Note 7 of the Annual Budget;
- (q) approves the New Long Term Borrowing facility for the financial year ending 30 June 2027 as set out in Section 2, Note 6(d) of the Annual Budget, converting the short term facility to fund the redevelopment of Collier Park Golf Course adopted as part of the 2025/26 Budget into a long-term loan consistent with the Council approved Business Plan;
- (r) adopts the Schedule of Fees and Charges as set out in Section 4 the Fees and Charges Schedule for the year ending 30 June 2027, including Statutory Fees determined by the State Government;
- (s) adopts the effective date for all items detailed in the 2026/27 Schedule of Fees and Charges is 1 July 2026;
- (t) adopts a definition of 'significant (material) variances' of \$10,000 or 10% (whichever is the greater) for each capital project and business unit operating revenue and expenditure line item;
- (u) approves the levy instalment five out of five, of the UGP service charges on the owners of properties within the South Perth/Hurlingham area bounded by Canning Highway, Douglas Avenue, Ellam Street and the Swan River Foreshore, as imposed by the 2022/23 Budget;

- (v) approves the levy instalment two out of four of the UGP service charges on the owners of properties within the Kensington Project Area generally bounded by Canning Highway, Douglas Avenue, the Town of Victoria Park boundary, Rathay Street, Anketell Street, George Street, Baron-Hay Court, and South Terrace, including Waterford Triangle generally bounded by Manning Road, McKay Street and Conlon Street and Collier Reserve, Thelma Street inclusive of certain remnant border properties not previously included in any other Underground Power project as imposed by the 2025/26 Budget;
2. That Council adopts the increase to Elected Member fees and allowances of 3.5% as recommended by the Salaries and Allowances Tribunal “Local Government Chief Executive Officers and Elected Members Determination No 1 of 2026” and authorises the Chief Executive Officer to update Schedule 1 of Policy P667 Elected Members Entitlements accordingly.

Absolute Majority Required

Background

The Annual Budget is a statutory requirement under the *Local Government Act 1995* and a key financial management tool. It is guided by the 10-year Strategic Community Plan (SCP), which undergoes major community consultation every four years. Council adopted the revised City of South Perth SCP 2021-2031 in December 2021 and a minor review in April 2024.

The City is consulting on a new Council Plan (CP), which will replace the SCP under reforms to the *Local Government Act 1995*. The CP is expected to be presented to Council for adoption in the new financial year. Adoption of the CP will also trigger a new long-term financial plan. Until then, the SCP continues to guide the Corporate Business Plan (CBP), which outlines services, projects and measures for the next four years to deliver the City’s strategic vision. The long-term financial plan, asset management plans and workforce plan inform the SCP, CBP and Annual Budget, with outcomes reported in the Annual Report.

Including the 2026/27 financial year, Council will have adopted cumulative rate increases of 21.7% over the past seven years, below Perth March CPI of 27.3% over the same period. Council has sought to contain expenditure and move towards a net operating breakeven position rather than an operating loss. In the short to medium term, ensuring the City achieves a sustainable net operating surplus remains essential to its long-term financial sustainability.

The Annual Budget as contained at **Attachment (a)** has been prepared in accordance with Part 3 of the Local Government (Financial Management) Regulations 1996.

Comment

Economic Position

The City of South Perth identified some years ago that its financial position needed to improve to remain financially sustainable. Since 2017/18, this has been addressed through each annual budget and mid-year budget review. Ongoing wars, geopolitical conflict, sanctions, trade tensions and disruption to global energy and freight markets continue to create uncertainty for businesses and households and weigh on global growth. In Australia, these factors have contributed to renewed inflationary pressure, elevated interest rates and ongoing supply chain risk.

7.0.1 Adoption of the Annual Budget 2026/27

Uncertainty around United States trade and tariff settings, together with slower growth in major trading partners such as China, may also place downward pressure on commodity prices and government revenues.

As an open economy, Australia, and particularly Western Australia's export sector, may be significantly affected by slower global growth. Ongoing geopolitical conflict, supply chain disruption, trade tensions and efforts by central banks to rein in persistent inflation with interest rate hikes slowing growth continue to create uncertainty. These conditions may cause commodity prices to fall faster than forecast, affecting State and Federal budgets and placing further pressure on the City's future budgets and financial recovery.

Rates remain the City's main source of operating revenue. While strategies to grow alternative income streams are underway, they will take time to materially reduce reliance on rates. However, the City is now deriving more revenue from paid parking, largely from non-residents, and bus shelter advertising revenue is expected to increase in 2026/27.

Net revenue from golf course operations has increased in recent years, but the City also recognised the need to keep its golf offering contemporary and competitive to support future growth. Council has therefore approved redevelopment of the Collier Park Golf Course buildings, which will reduce golf revenue in the short term, with 2026/27 the first year affected. These alternative revenue streams must continue to improve to support long-term financial sustainability without significant rate increases above CPI.

To support Council's understanding of the City's financial position, four budget workshops were held. The financial management principles and strategies applied in recent years have been used to guide this budget preparation. If maintained, they will continue to improve the City's financial position over time, reduce reliance on rate revenue and strengthen its capacity to fund future asset renewal.

The work undertaken with Council shows that a stronger financial position is achievable. However, this requires not only continued expenditure control, as has been the focus for several years, but also growth in income.

Overall, the 2026/27 draft Annual Budget includes the following:

- Operating Revenue of \$80.15m.
- Operating Expenditure of \$80.15m.
- Capital Grants (Revenue) of \$6.72m.
- Capital Expenditure of \$44.92m.

Rates

Rates are calculated by using the Gross Rental Value (GRV), provided by Landgate (a State Government agency), multiplied by the rate in the dollar adopted by Council. GRV is an estimation of the likely annual rental return on a property; for example, a property with a \$26,000 GRV is equivalent to earning \$500 per week (\$500 x 52 weeks). Therefore, the Rates calculation (GRV x Rate in \$ = Rates) in this scenario is:

$\$26,000 \text{ (GRV)} \times \$0.060585 \text{ (rate in the dollar)} = \$1,575.21.$

Landgate has updated property GRVs under its three-year revaluation cycle, with average values increasing by more than 36%. As a result, the 5.95% rates revenue increase will affect properties differently, with some rates increasing by more or less than this percentage.

7.0.1 Adoption of the Annual Budget 2026/27

The Minimum Rate (the lowest rate paid per ratable property) is recommended to increase by 5.95% to **\$1,318** (\$1,244 in 2025/26). The Minimum Rate applies to approximately 1,018 properties.

As with all budgets, there are a range of expenses that increase each year. In order to deliver a 5.95% rate increase, the City in collaboration with Council had to tightly manage City operating expenditure budgets.

In benchmarking against other metropolitan Local Government Authorities (LGA), the City continues to be competitive with its peers in relation to the rate in the dollar. Those LGAs with a lower rate in the dollar tend to have a large industrial and/or commercial rate base. In comparison, the City of South Perth commercial properties rate revenue represents only 9.27% of the total Rates.

Waste Service Charge

The standard waste service charge for 2026/27 is proposed to increase to \$450 for domestic properties and \$625 for non-rateable properties, representing only the fifth increase in seven years. The charge remains comparatively low among metropolitan local governments.

The charge covers weekly rubbish collection, fortnightly recycling and three pre-booked verge-side collections each year. The annual charge for a single 660-litre bin is proposed as \$1,350 for rateable properties and \$1,875 for non-rateable properties. The 1,100-litre service is proposed to increase to \$2,250 for rateable commercial properties and \$3,125 for non-rateable properties with existing services.

This is the second year of the pre-booked verge-side service, allowing residents to book one hard waste and two green waste collections each financial year up to eight weeks in advance. Residents must place items on the verge no more than three days before collection. The service helps reduce fly dumping and rubbish picking, and improves verge presentation, safety and amenity.

Residential ratepayers will again receive six waste vouchers instead of three: four green waste and two general waste passes to the Recycling Centre.

Emergency Services Levy (ESL)

The State Government ESL charge will again appear on all local government rate notices in 2026/27. This charge will be calculated based on the GRVs supplied to the City by the Valuer General and using a rate in the dollar determined by the Fire & Emergency Services Authority.

The State Government released its budget on 7 May 2026, including a 5% ESL increase.

Underground Power (UGP)

In 1996, the State Government established the State Underground Power Program (SUPP), and Council adopted a whole-of-city approach to underground power. Although underground power is a State Government asset, Council recognises its broader community benefits beyond improved supply during severe weather. It has enhanced amenity by enabling more and larger street trees, reducing summer heat and supporting the vision of “A City of active places and beautiful places.”

7.0.1 Adoption of the Annual Budget 2026/27

The City participated in five of the six SUPP rounds, delivering projects in Como, South Perth, Como East, Salter Point, Manning and Collier. After the SUPP concluded, Western Power broadened its project focus, leading to the South Perth Hurlingham Retrospective Underground Project (RUP), which brought the City closer to its goal of full underground power coverage.

The fifth and final instalment of the Collier and Manning underground power service charge, adopted in the 2021/22 Budget, was levied in 2025/26 and those projects are now complete. In 2026/27, the City will levy the fifth of five instalments for South Perth/Hurlingham adopted in the 2022/23 Budget, and the second of four instalments for the Kensington Project Area adopted in the 2025/26 Budget.

The City's final major underground power project, adopted in the 2025/26 Budget, is the Kensington Project Area. Predominantly in Kensington, it also includes remnant properties in South Perth, Como, Collier Reserve and Waterford Triangle, and is being delivered with Western Power under the Network Renewal Underground Program (NRUPP). Once complete, all residential properties in the City will be connected to underground power, substantially achieving Council's 1996 whole-of-city approach.

Employee Information

Employee costs in the budget reflects an appropriate resource mix to deliver services in line with the SCP.

Employee costs represent approximately 40.8% of the City's annual expenditure and have been closely managed in recent years, with only marginal growth in full-time equivalent positions.

The payroll budget has mainly increased to allow for the 4.0% pay rise under the City's 2024 Enterprise Agreement, which remains below CPI. Employee costs also include about \$450,000 for workers compensation insurance.

Fees and Charges Schedule

The Fees and Charges Schedule again includes waived registration fees for sterilised dogs and cats, and a one-year waiver for unsterilised dogs to allow sterilisation and subsequent free lifetime registration. This is intended to encourage pet registration with the City and is the second year of the program.

The Fees and Charges Schedule reflects the cost of providing services while recognising community service obligations. As appropriate, fees are based on:

- Cost recovery (can be full or partial and based on community service obligations);
- Benchmarked / reference pricing; and
- Statutory fees.

Most fees and charges are proposed to increase broadly in line with the March CPI of 4.6%. However, many are statutory fees set by the State Government and do not fully reflect the cost of providing the service. In these cases, although the City charges the maximum permitted fee, it still does not recover full costs. Other fees and charges have been increased incrementally to move closer to full cost recovery.

Capital Program – Highlights for 2026/27

The draft 2026/27 capital budget is \$44.92 million, significantly higher than usual. Most of this expenditure (80%) is directed to renewal of existing assets. Roads, drainage, parks and reserves account for 42% of the program, while City buildings account for 50%.

7.0.1 Adoption of the Annual Budget 2026/27

Key projects include \$1.8 million, including carry forward, for the final stage of irrigation replacement at Sir James Mitchell Park, completing the three-year program valued at more than \$4.5 million. The budget also includes \$629,000 for George Burnett Playground replacement and \$296,000 for Como Beach riverwall and footpath repairs.

A range of pathways, roads and public toilets will also be renewed or upgraded, with some design work included for future projects, including new public toilets at Salter Point and Mends Street.

Community Safety

The draft 2026/27 Budget includes additional funding for community safety across both operating and capital programs. Funding for the City's Home Safety and Security Equipment Rebate Program has been maintained at the higher level introduced in 2025/26.

The operating budget also includes \$180,000 for further community safety initiatives, while the capital budget provides for lighting upgrades at Sir James Mitchell Park (\$641,000, including carry forward) and improvements to the Karawara laneways (\$356,000), informed by the Karawara Pedestrian and Cycle Access Plan which attracted significant community input.

Environmental Sustainability

Both the operating and capital budgets includes additional funds allocated for urban greening and/or environmental sustainability initiatives.

The capital budget includes specific provisions linked to urban greening. \$100,000 for Stormwater Sump Retrofit WSUD (Water Sensitive Urban Design) and an allowance of \$250,000 for similar elements included in the Coode Street Foreshore Riverbank Restoration program. A reserve fund dedicated to quarantine funds for the protection of the natural environment is proposed for establishment.

The operating budget includes a \$100,000 allocation towards Polyphagous Shot-Hole Borer initiatives, in addition to \$100,000 included in the tree management budget for tree pruning and removal to respond to increase in tree deaths.

Collier Park Golf Course

The City owns Collier Park Golf Course (CPGC), which is managed by Clublinks Management. CPGC is one of Australia's leading public golf courses, with strong demand for tee times, particularly at peak periods. Around 80% of patronage comes from outside the City of South Perth. In 2023/24, the City introduced a flexible pricing model under which the operator sets charges within an approved range based on demand. For 2026/27, a minor increase is proposed to the top of the range, from \$55 to \$60, with the lower limit remaining at \$10. This continues to improve yield per player and revenue to the City. A similar pricing model applies to mini golf, with a 2026/27 range of \$6 to \$60.

Pricing will remain transparent through the booking process, and the operator will publish seasonal pricing ranges on the Collier Park website as a guide.

In 2023/24, Clublinks was selected as the successful tenderer to operate Collier Park Golf Course for 21 years under a Course Controller Agreement, Lease Agreement and Development Agreement. Clublinks will contribute up to \$8.5 million towards redevelopment of the golf course buildings and driving range. The redevelopment does not change any of the nine-hole playing courses.

7.0.1 Adoption of the Annual Budget 2026/27

The agreements have been finalised, with the Major Land Transaction Business Plan and lease advertised in 2024/25 and ministerial approval obtained. The redevelopment requires a City capital contribution and is expected to support the golf course's long-term financial sustainability and provide an ongoing revenue stream. This budget includes conversion of the short-term WA Treasury Corporation loan approved in 2025/26 to a long-term facility.

Capital expenditure in the budget relates mainly to construction of the proposed buildings. Driving range netting was installed in 2025/26 so that revenue from the range can continue during building works. The redevelopment will reduce golf revenue in the short term, with 2026/27 the first year affected.

Sustainability Implications and Financial Health

Ongoing net operating surpluses are essential to the City's long-term financial sustainability. They enable investment in renewing ageing community infrastructure, including roads, pathways, drainage, parks, playgrounds and other facilities that support services and amenities for residents. Operating deficits would reduce the City's capacity to renew assets and deliver services, creating generational inequity.

The Department of Local Government, Sport and Cultural Industries (DLGSCI) has published the Local Government Financial Index (LGFI) on its MyCouncil website, replacing the former Financial Health Indicator (FHI). The benchmark remains 70, and the 2026/27 Budget score of 90 exceeds it.

Consultation

The budget has been drafted based on Council's adopted strategic documents which have been developed through extensive consultation processes. In addition, for Council to fully understand the complexity of the City's finances, the City has undertaken a series of four budget workshops with Council.

Policy and Legislative Implications

Local Government Act 1995

Financial Management Regulations 1996

Financial Implications

The financial implications of adopting the 2026/27 Budget are as disclosed in the draft 2026/27 budget, as contained as **Attachment (a)** of this report.

Key Risks and Considerations

Risk Event Outcome	<p>Financial Loss</p> <p>An adverse monetary impact on the City as a consequence of a risk event occurring. A grading is assigned to different levels of potential loss relative to the significance of the impact on the City's ongoing operations and its ability to deliver expected services.</p> <p>Legislative Breach</p> <p>Refers to failure to comply with statutory obligations in the manner in which the City, its officers and Elected Members conduct its business and make its decisions and determinations. This embraces the full gamut of legal, ethical and social obligations and responsibilities across all service areas and decision making bodies within the collective organisation.</p>
Risk rating	High
Mitigation and actions	<p>Four budget workshops were held with Council to ensure the City's financial position and all aspects of the budget are fully understood.</p> <p>Implementation of cost saving measures and future revenue generating measures to improve the City's financial position.</p> <p>Budget ready to be adopted in accordance with statutory requirements.</p>

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2021-2031](#):

Strategic Direction:	Leadership
Aspiration:	A local government that is receptive and proactive in meeting the needs of our community
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance with honesty and integrity and quality decision making to deliver community priorities

Attachments

7.0.1 (a):	Draft Annual Budget 2026/27
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8. CLOSURE

