



## Objectives and Reasons for Proposed Differential Rates for the 2026/27 Financial Year

In accordance with Section 6.36 of the Local government Act 1995, the Shire of Wagin is required to publish its Objectives and Reasons for the implementing of differential rates.

The Shire of Wagin intends to impose differential general rates and minimum payments for the 2026/27 financial year as summarised in the following table:

Rate Category	Rate in the Dollar	Minimum Payment
GRV – Non-Commercial/Industrial	9.8280	\$850
GRV – Commercial/Industrial	13.0576	\$1,000
UV - General	0.3040	\$875
UV - Commercial energy generation and storage	0.6080	\$850

### **Overall Objective**

The purpose of the levying of rates is to meet the Council's budget requirements in each financial year in order to deliver services and community infrastructure. Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year.

Section 6.33 of the Local Government Act 1995 provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Wagin. The application of differential rating maintains equality in the rating of the properties across the Shire, enabling the Council to provide facilities, infrastructure and services to the entire community and visitors.

### **Gross Rental Value (GRV)**

The Local Government Act 1995 determines that properties of a non-rural purpose be rated using Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. The Value General determines the GRV for all properties within the Shire of Wagin every five to six years and assigns a GRV.

A revaluation was carried out in 2022 with the valuation effective from 1 July 2022. Interim valuations are provided monthly to the Council by the Valuer General for properties where changes have occurred. In these instances, Council recalculates the rates for the affected properties and issues interim rate notices.

The following categories of GRV are proposed for the 2026/27 financial year:

## **GRV – Non-Commercial/Industrial**

This rating category consists of properties which have a predominantly residential use. The object of the rate for this category is to be the base by which all other GRV rated properties are assessed. The reason is to ensure that all ratepayers make a reasonable contribution towards works, services and facilities within the Shire. The proposed rate in the dollar for this category is 9.8280 cents, with a minimum rate of \$850.

## **GRV- Commercial/Industrial**

This rating category consists of properties used predominantly for Commercial or Industrial purposes that are located within the townsites. The object of the rate for this category is to raise additional revenue to fund the costs associated with the higher level of service provided to the properties in this category. The reason is that the Shire incurs higher costs to service these areas including carparking, landscaping and other amenities. In addition, costs associated with tourism and economic development activities are incurred by council that also have a benefit to these ratepayers. The proposed rate in the dollar for this category is 13.0576 cents, with a minimum rate of \$1,000.

## **Unimproved Value (UV)**

Properties that are predominantly of a rural purpose are assigned an Unimproved Value that is supplied and updated by the Valuer General on an annual basis.

## **UV - General**

This rating category are properties that are used exclusively for rural use – either residential or commercial and mining tenements. The reason for this rating category is to ensure that all ratepayers make a reasonable contribution to the cost of providing works, services and facilities within the Shire. The proposed rate in the dollar for this category is 0.3040 cents, with a minimum rate of \$875.

## **UV - Commercial energy generation and storage**

This rating category is for farmland properties that have a commercial energy generation and storage development, such as windfarm or battery storage.

There will not be any properties impacted by this differential rate in the next few years. While acknowledging the symbolic aspect, the Shire of Wagin aims to be proactive and give advance notice to ratepayers and power producers of the proposal as the onset of windfarms and the like will involve significant regulatory and other costs for the Shire.

Wind farms are expected to have a significantly greater financial impact on the Shire compared to traditional farmland. Currently, we have applied a nominal differential rate twice that of general unimproved land value. This is a preliminary estimate because we don't yet have firm data on the impact to the Shire or the properties impacted. If this proposal goes forward, we will need to conduct a much more rigorous assessment to determine the rate to apply. The proposed rate in the dollar for this category is 0.6080 cents, with a minimum rate of \$850.

## Summary

In arriving at the proposed rates in the dollar, the Council has attempted to balance the need for revenue to fund essential services, facilities and infrastructure to the entire community.

Minimum rated properties will increase by either 10% (GRV non commercial), 13% (UV General) or 29% (GRV Commercial / Industrial). Maintaining an above average increase on GRV and UV General properties will bring the Shire of Wagin more into line with the regional average over time. The increase in minimum rates on GRV Commercial / Industrial properties is considered to be critical to overcoming land development inertia.

The proposed rate model is expected to yield revenue of \$3,116,243 for 2026/2027 (\$3,152,641 less a proposed 25% discount of \$36,398 for three GRV rateable properties recently converted from UV).

The budget proposes a 6.8% increase in rate yield. This equates to a 4.7% increase in the effective rates yield disregarding the increase on three assessments that transitioned from UV to GRV. However, rates on non-minimum rated properties (almost 80% of properties) will increase on average by just 3.5%.

The full schedule of rates raised is shown in the table below.

Any submissions by electors or ratepayers in respect of the proposed Differential Rates and Minimum Payments should be addressed to the Chief Executive Officer, Shire of Wagin and lodged by 4.30pm Monday 20 July 2026.

All submissions may be sent to PO Box 200 WAGIN WA 6315 or hand delivered to the shire administration 2 Arthur Rd WAGIN or [shire@wagin.wa.gov.au](mailto:shire@wagin.wa.gov.au)

Ratepayers are welcome to contact the Shire Finance Department regarding the differential rating categories on 9861 1177 or email [donna.fawcett@wagin.wa.gov.au](mailto:donna.fawcett@wagin.wa.gov.au)

General Rates:	# of Prop	Rate in the \$	Budget 2025/2026	Total Budget 2025/2026	Actual 2025/2026	# of Prop	Rate in the \$	Rateable Value	Projected Income 2026/27	Proposed Budget 2026/27
GRV Non-commercial	677	9.5045	833,156	833,156	834,176	677	9.8280	8,776,638	862,568	862,568
GRV - Commercial	67	12.6133	265,887	265,887	265,887	62	13.0576	2,667,888	348,362	348,362
UV - General	276	0.3293	1,649,642	1,649,642	1,649,642	268	0.3040	560,390,000	1,703,586	1,703,586
UV - Commercial energy generation and storage	0	0.6585	0	0	0	0	0.6080	0	0	0
<b>Subtotal</b>	<b>1,020</b>		<b>2,748,685</b>	<b>2,748,685</b>	<b>2,749,705</b>	<b>1007</b>		<b>571,834,526</b>	<b>2,914,516</b>	<b>2,914,516</b>
Minimum Rates							Minimum Rate \$			
GRV Non-commercial	135	775	104,625	104,625	104,625	135	850	232,356	114,750	114,750
GRV - Commercial	22	775	17,050	17,050	17,050	28	1000	85,147	28,000	28,000
UV - General	104	775	80,600	80,600	80,600	109	875	17,798,984	95,375	95,375
UV - Commercial energy generation and storage	0	775	0	0	0	0	850	0	0	0
<b>Subtotal</b>	<b>261</b>		<b>202,275</b>	<b>202,275</b>	<b>202,275</b>	<b>272</b>		<b>18,116,487</b>	<b>238,125</b>	<b>238,125</b>
Write offs			0	0	(305)					
<b>TOTAL</b>	<b>1,281</b>		<b>2,950,960</b>	<b>2,950,960</b>	<b>2,951,675</b>	<b>1279</b>		<b>589,951,013</b>	<b>3,152,641</b>	<b>3,152,641</b>
Less additional discount on three GRV assessments converted from UV										-36,398
<b>TOTAL</b>										<b>3,116,243</b>