



Objectives and Reasons for Proposed Differential Rates for the 2025/26 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 2025/26 financial year as summarised in the following table:

Rate Category	Rate in the Dollar	Minimum Payment
GRV – Non-Commercial/Industrial	9.5045	\$775
GRV – Commercial/Industrial	12.6133	\$775
UV - General	0.3293	\$775
UV - Commercial energy generation and storage	0.6585	\$775

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 2025/26 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 9.5045 cents, with a minimum rate of \$775.00.

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 12.6133 cents, with a minimum rate of \$775.00.

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 0.3293 cents, with a minimum rate of \$775.00.

UV - Commercial energy generation and storage

This new 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 0.6585 cents, with a minimum rate of \$775.00.

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.

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 21 July 2025.

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

Ratepayers are welcome to contact the Shire Finance Department regarding the differential rating categories on 9861 1177 or email dejay.fawcett@wagin.wa.gov.au

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

The proposed rate model is expected to yield \$2,905,489 revenue for 2025/2026 (\$2,950,960 less a proposed 70% discount of \$45,471 for two newly rateable GRV Commercial properties). This equates to a 3.75% increase in the quantum of rates raised over the 2024/25 financial year.

RATES MODELLING with Differential GRV Rates 3.75% increase in yield in line with CPI (70% discount for two new GRVs)										
Annual Budget 2025/2026										
15% increase in Minimums; Average 2.35% increase in Non-Minimums										
General Rates:	# of Prop	Rate in the \$	Budget 2024/2025	Total Budget 2024/2025	Actual 2024/2025	# of Prop	Rate in the \$	Rateable Value	Projected Income 2025/26	Proposed Budget 2025/26
GRV Non-commercial	680	9.3002	816,817	816,817	817,724	677	9.5045	8,765,908	833,156	833,156
GRV - Commercial	65	12.3227	196,300	196,300	200,360	67	12.6133	2,107,993	265,887	265,887
UV - General	285	0.3877	1,617,798	1,617,798	1,617,799	276	0.3293	500,954,000	1,649,642	1,649,642
UV - Commercial energy generation and storage						0	0.6585	0	0	0
Subtotal	1,030		2,630,915	2,630,915	2,635,883	1020		511,827,901	2,748,685	2,748,685
Minimum Rates							Minimum Rate \$			
GRV Non-commercial	131	675	88,425	88,425	87,626	135	775	232,356	104,625	104,625
GRV - Commercial	15	675	10,125	10,125	10,276	22	775	45,192	17,050	17,050
UV - General	99	675	66,825	66,825	66,825	104	775	14,643,565	80,600	80,600
UV - Commercial energy generation and storage						0	775	0	0	0
Subtotal	245		165,375	165,375	164,727	261		14,921,113	202,275	202,275
TOTAL	1,275		2,796,290	2,796,290	2,800,609	1281		526,749,014	2,950,960	2,950,960
Less additional Discount on GRV assessments A1560 & A2283										-45,471
TOTAL										2,905,489