

# RATING STRATEGY 2025/26





# Rating Strategy

## 2025-26

### Contents

Purpose.....	2
Rating Strategy Objectives.....	3
1. Rating.....	4
1.1 Rate(s) in the Dollar.....	4
1.2 Key Values.....	4
1.3 Differential Rating.....	5
1.4 The Application of a Minimum Rate.....	9
1.5 Specified Area Rates.....	9
2. Other Amounts.....	10
2.1 Waste Service Fees.....	10
2.2 Emergency Services Levy (ESL).....	10
2.3 Interest Charges.....	10
2.4 Discounts.....	10
3. Rate Exempt Properties.....	11
4. Rates Notifications.....	11
5. Payment Difficulties/ Financial Hardship.....	11
6. Objection Rights.....	12

## Purpose

The purpose of our rating strategy is to:

- Establish a framework by which the property rate burden required to fund the services and infrastructure provided by the Shire of Exmouth (the Shire) is distributed in a fair and equitable manner and meets the Shire's sustainability, compliance and community goals in accordance with the Community Strategic Plan and Corporate Business Plan.
- Meet the principles of objectivity, fairness and equity, consistency and transparency and administrative efficiency.
- Provide a clear indication to the community and ratepayers on the objects and reasons underpinning rating categories and differentials.

The amount of rate revenue to be targeted each year is not included within the rating strategy. This is a decision made by the Shire during the annual budget process with due consideration given to the funding requirements to ensure ongoing financial sustainability.

Rating provides for the net funding requirements of the Shire of Exmouth's services, activities, financing costs, plus the current and future capital requirements, after taking into account all other forms of revenue.

In Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity. Whilst it may be an imperfect system in which to assess property owner's ability to pay, it is the method Council is required to rely upon under the *Local Government Act 1995* (the Act).

## Rating Strategy Objectives

The Shire's Rating Strategy has been developed with reference to the findings and recommendations of a strategic review of the rating structure in 2024/25.

This strategy establishes a framework to address the following key elements:

- a) That the basis of valuation for rating purposes continues to be Gross Rental Value (GRV) and Unimproved Value (UV).

\* Landgate values all properties in the State independently.

- b) Properties are rated according to predominant land use; their valuation, which is provided to council from Landgate; zoning with regard to the Town Planning Scheme, the Short-Term Rental Accommodation Register (STRA) or other Council records (i.e. Health and Development approvals), with each having a separately calculated rate in the dollar and established minimums to achieve greater equity across all sectors and ensure a base level contribution.

\* The use of differential rating is considered a means to achieve greater uniformity in annual rate revenue apportionment across property types, being subject to fluctuations in revaluation reviews.

- c) To maintain transparency and consistency each year in annual rating.

- d) That, where possible, electronic communication methods are more efficient and effective as well as being more sustainable and cost effective.



## 1. Rating

### 1.1 Rate(s) in the Dollar

The Shire of Exmouth's differential rates in the dollar charge will be determined each year through the annual budgeting process. It is calculated to meet each year's requirements for net revenue raising.

### 1.2 Key Values

The Department of Local Government, Sport, and Cultural Industries Rating Policy: Differential Rates, outlines the following considerations for differential rating:

- **Objectivity**

The predominant use of land should determine the basis for an objective assessment of relevant criteria. External parties should be able to understand how and why a determination was made.
- **Fairness and Equity**

Rating principles should be applied fairly and equitably. Each property should make a fair contribution to rates based on a method of valuation appropriately reflecting predominant use.
- **Consistency**

Rating principles should be applied, and determinations should be made in a consistent manner. Similar properties should be treated in a similar manner. The rating approach taken within neighbouring local governments may be considered.
- **Transparency and efficiency**

Systems and procedures for determining the method of valuation of land should be clearly documented and available for the public to inspect. This is fundamental to the "good government" principle upon which the Act is based. The right to govern accompanies the obligation to do so openly and fairly.

The Shire of Exmouth is to prepare and make publicly available a notice describing the object of and reason for each differential rate and advertise a period calling for submissions in accordance with the Act. Council is to consider all submissions received within the prescribed time, ahead of adopting the annual budget.

## 1.3 Differential Rating

Section 6.33 of the Act provides local governments with the option of implementing differential rates.

The Shire of Exmouth's rating will be based on land use, being.

- GRV Residential
- GRV Business/Other
- GRV Accommodation
- GRV Vacant land
- UV Rural
- UV Mining / Aquaculture

Clear objects and reasons for the use of any differential rating must be communicated through the annual budget process. The Shire of Exmouth's objects and reasons for differential rate charges are as follows.

### ***GRV – Residential***

This rating category consists of properties zoned as:

- Residential; and/or
- Urban Development; and/or
- Rural Residential
- Residential properties within Special Use Zones

This category excludes all vacant land and short-term accommodation (hosted and un-hosted).

#### **OBJECTS:**

The objects of this differential rate is to apply a base differential rate to residential property used for non-business purposes.

#### **REASONS:**

The minimum payment levied on this category ensures a meaningful, minimum contribution to the financial impact and costs incurred in providing community services and activities, maintaining infrastructure, furthering the Shire's strategic goals and encouraging and supporting residential development. Equally supporting sustainability by investing in infrastructure and funding renewal and replacement assets programs.

The rate for this category is to be the base rate by which all other GRV rated properties are assessed.

# Rating Strategy 2025-26

Shire of Exmouth



## ***GRV – Business/Other***

This rating category consists of properties zoned as:

- Commercial; and/or
- Tourism; and/or
- Light Industry; and/or
- Service Commercial; and/or
- General Industry; and/or
- Industrial Development
- Special Use with permitted predominant commercial use

This category also includes residentially zoned home based businesses (as approved by the Shire) as well as residentially zoned hosted short term accommodation properties per the Short-Term Rental Accommodation Act 2024.

This category will also include properties that do not meet the criteria for another differential category.

### **OBJECTS:**

The object of this differential rate is to apply council rates to income producing facilities, raising revenue to fund costs associated with economic development as well as maintaining infrastructure renewal and services provided to these properties, or locations.

### **REASONS:**

This differential acknowledges costs associated with the provision and maintenance and renewal of infrastructure used by businesses or individual service providers including road and traffic management, lighting and drainage, car parking, landscaping, amenities. The Shire supports business sustainability by investing in infrastructure to assist with social and economic growth and funding renewal and asset renewal programs. This also includes marketing and development of tourist related services and infrastructure.

# Rating Strategy 2025-26

Shire of Exmouth



## ***GRV –Accommodation***

This rating category consists of commercial accommodation providers as well as residential properties that provide un-hosted accommodation.

### **OBJECTS:**

The object of this differential rate is to ensure that rates are distributed equitably between long term residential properties and short-term or commercial accommodation providers.

### **REASONS:**

This differential acknowledges the costs associated with tourism and economic development activities, as well as the use of these properties predominately for business and visitor travel.

As well as requiring expenditure specific to attracting tourism to the area, patrons and employees of these premises are consumers of the Shire's core services and facilities and have a greater impact on Council services and assets than other properties. This is due to the number of and transient nature of occupants as opposed to a normalised residential population that benefits the Shire with greater participation in community activities, sporting and cultural bodies, and higher participation rates in volunteerism.

## ***GRV – Vacant Land***

This rating category consists of all vacant land within Shire boundaries.

### **OBJECTS:**

The object of this rate is to apply a differential rate to vacant properties and encourage land development.

### **REASONS:**

This differential reflects the costs incurred by the Shire associated with the service provided, including but not limited to firebreak notices/maintenance, upgrade and renewal of the street network, roadside sweeping, town car parking, landscaping, dust control management, drainage, footbridge/path lighting, street furniture and other amenities. Furthermore, excessive vacant land impacts overall aesthetics and does not contribute to the economic wellbeing of the Shire.



# Rating Strategy 2025-26

Shire of Exmouth



## ***UV – Rural***

This rating category consists of properties zoned Rural.

### **OBJECTS:**

The object of the rate for this differential is to apply a differential rate and minimum payment to unimproved properties zoned rural, and to raise revenue required to provide services to these (generally) larger lots.

### **REASONS:**

The rate for this category is to be the base rate by which all other UV rated properties are assessed. These properties are large extensive parcels of land with little commercial activity.

## ***UV – Mining/Aquaculture***

This rating category consists of properties used for mining, exploration or prospecting purposes or aquaculture purposes.

### **OBJECTS:**

The object of the rate for this category is to ensure that mining and aquaculture operations contribute to the maintenance of Shire assets and services.

### **REASONS:**

This differential reflects the higher costs incurred, and the greater benefits derived from, Shire infrastructure and service provision for these properties, due to the greater intensity of activity at these properties compared with normal commercial operations and/or frequent heavy vehicle use over extensive lengths of Shire roads throughout the year.

## 1.4 The Application of a Minimum Rate

The Shire will impose a consistent minimum rate across the rating categories ensuring all properties contribute an equitable rate amount to non-exclusive services. The minimum rate recognises that all ratepayers have an equal opportunity to enjoy the facilities and services provided by Council, regardless of the value of their property.

The Act allows councils to impose a minimum rate, which may not apply to more than 50% of rateable properties within a rating category.

The effect is to increase the rates payable by lower valued properties so that every ratepayer makes a minimum contribution considered equitable to the cost of the services and infrastructure provided, commensurate with other local governments.

## 1.5 Specified Area Rates

The Act also allows the Shire to levy specified area rates for the purpose of meeting costs for the provision of specific work, service or facility, if ratepayers in the specified area will benefit from, or have access to, or contributed to the need for that work, service or facility. Funds collected are to be used for the specific purpose for which they are raised.

The Shire has identified a need for a specified area rate to apply to properties referred to as 'canal lots' within the Special use (SU) zone 6 'Exmouth Marina'. These properties have a canal frontage in the Exmouth Marina Precinct, for which the Shire incurs costs on activities that specifically benefit these properties. A Specified Area Rate ensures that these costs are not borne by other property owners.

The proceeds of these funds are applied in full on environmental monitoring and maintenance of the canal waterway, dredging and entrance channel navigation including both onshore and offshore, cost of clearing the sand traps, maintaining the main breakwaters including all breakwaters and groynes surrounding and protecting the outer harbour and other preservation works in accordance with the Exmouth Marina Village Agreement between the Minister for Transport, Landcorp and Shire of Exmouth.

## 2. Other Amounts

### 2.1 Waste Service Fees

A waste service which includes the removal of rubbish and recycling, as well as the need to provide waste services to public areas, is required to be funded by ratepayers throughout the Shire. This charge is separately noted on the Annual Rates Notices. The annual charge is to cover operational and capital expenditure related to the waste collection services.

### 2.2 Emergency Services Levy (ESL)

The Shire of Exmouth is obligated to charge and collect this Western Australian State Government imposed rate.

### 2.3 Interest Charges

Interest charges on rates paid by instalment are allowable under the Act and considered appropriate in recompense for the Shire's foregone investment earnings. An instalment interest charge as opposed to a fixed fee equalises the benefit available across all ratepayers, who elect to pay their rates by instalments.

Eligible pensioners and seniors are exempt from interest charges.

Interest charges on unpaid rates are also allowable under the Act at a prescribed maximum rate under regulations.

### 2.4 Discounts

Making discounts available for the early payment of rates and charges are considered an unfair advantage to those with the financial capacity to do so above other ratepayers. It is also administratively onerous. Discounts will not be applied.

## 3. Rate Exempt Properties

Exemption from having to pay local government rates under the Act is primarily for land used towards charitable purposes or Crown Land either vacant or used for a Public Purpose.

Exempt properties will be reviewed at least every 3 years.

State Agreements may have a rate exemption clause contained within them reducing the capacity of the Shire to raise revenue.

## 4. Rates Notifications

There are just under 2,000 rateable properties within the Shire that are issued with a rates notice annually. Ratepayers who elect to pay their rates by instalment, require the issue of up to three further reminder notices with an administration fee applied.

Digital rate notices are available and are the preferred method of Council. Ratepayers may elect to have their notice emailed, avoiding the use of paper and postage, which aligns with our sustainability objectives.

It is each property owners responsibility to inform the Shire of any changes in property use and ensure their property and contact details are kept up to date.

## 5. Payment Difficulties/ Financial Hardship

It is recognised that at times, due to unforeseen circumstances, the payment of property rates may present a financial burden.

The Shire's Financial Hardship policy (CS011) outlines available support. All enquiries are treated confidentially, and early communication may help prevent the commencement of costly legal action for the recovery of outstanding rates.

In the event that rates and charges become overdue, the Shire will issue an overdue final notice which includes interest charges. If the account remains unpaid the Shire will commence recovery action. This may include redirection of lease income, the selling of the property, and or transfer of ownership to the Shire of Exmouth, by way of the Act. All costs of proceedings are recoverable from the ratepayer.

The Shire Debt Recovery Processes are outlined in Council Policy CS010.

## 6. Objection Rights

Section 6.76 of the Act allows for an objection to a rates notice on the following grounds:

- There is an error in the rate notice in relation to the identity of the landowner or the part of the land to be rated; or
- If the Town imposes a differential general rate, that the characteristics of the land recorded in the rate record as the basis for imposing that rate should be deleted and other characteristics substituted.

An objection is to be made to the Shire in writing within 42 days of the service of a rate notice under section 6.41 of the Act.

Section 32 of the *Valuation of Land Act 1978* allows for an objection to the valuation on which their rates assessment was based. An objection to the valuation of land is to be directed to the Valuer-General at Landgate and is to be made in writing within 60 days of service of the rates notice under section 6.41 of the Act.