



STATEMENT OF RATING OBJECTS AND REASONS

FOR THE 2025/26 FINANCIAL YEAR

In accordance with s.6.36 of the *Local Government Act 1995*, the Shire is required to publish its Objects and Reasons for implementing differential rates.

Differential Rates

Differential rating is the method of applying a different rate in the dollar to a different category of property. This is allowed for and controlled by s.6.33 of the *Local Government Act 1995* and the Shire applies differential rates according to property usage for GRV and UV Rated properties.

Property valuations are provided by the Valuer General of WA for two types of values; Gross Rental Value (GRV) which generally applies for urban areas; and Unimproved Value (UV) which generally applies for rural land.

GRV's for all properties have been revalued by Landgate effective 1 July 2024 with the next re-valuation expected to take effect 1 July 2030. For properties on UV, the values are set annually.

Interim valuations are issued for all properties where changes have occurred such as subdivisions, construction, additions etc.

These valuations are used as the basis for the calculation of rates each year. Section 6.32 and 6.33 of the *Local Government Act 1995* sets out the basis on which differential general rates may be applied by a Local Government.

Overall Objective

The overall objective of the proposed rates and charges in the 2025/26 budget is to provide for the net funding requirement of Council's operational and capital activities after taking into account all other forms of revenue.

The Council has considered the key values contained within the Rating Policy: Differential Rates (s.6.33) released by the Department of Local Government, Sport and Cultural Industries, being:

- Objectivity
- Fairness and Equity
- Consistency
- Transparency and Administrative Efficiency

Council determined the required rates yield by reviewing all revenue and expenditure as part of its budget deliberations. In consideration of community feedback and the financial impacts of further rate increases, Council hopes to deliver a conservative yet achievable budget and has identified an estimated budget deficiency of \$6.96m.

Anticipated Activities and Projects for 2025/26:

Rates revenue supports the delivery of our day-to-day operations such as (but not limited to)

- Waste Services and Facilities
- Town Pool
- Town Library
- Community events and programs
- Support and activation of Community groups through provision of venues, networking and education programs, community loans and grant funding
- Maintenance and provision of parks and gardens
- Maintaining public amenities
- Road and footpath maintenance

- Maintaining street lighting
- Maintaining 'Shire managed' Boat ramps and Jetties
- Ranger services
- Planning and Building services
- General governance and administration

The Shires ability to deliver quality services can often be limited by the available resources and funding.

As part of the 2025/26 Budget deliberations, Council has prioritised the following projects:

- Continuation of required power rectification and upgrade works to multiple Shire facilities including airport, depot, business hub and recreation centre.
- Stage 2 of the Exmouth Recycling Centre (an initiative strongly supported through the Strategic Community Plan)
- Continuation of major road and footpath upgrades, focusing on the Truscott/Murat Shared path, Murat and Yardie Creek roads as well as Town road renewals.
- Town centre carpark upgrades
- Irrigation controller replacements and wastewater irrigation works
- Aerodrome fencing
- Marina bridge and footpath lighting
- Airport lighting, terminal and carpark improvements - boosting regional connectivity and future-proofing infrastructure (funded from Aviation revenues and Aviation Reserve funds).
- Scoping of Bundegi boat ramp and Learmonth Jetty renewals.
- Scoping CCTV and security requirements across multiple Shire buildings and public spaces
- IT hardware and Enterprise Reporting System renewals

Project funding is derived from a mix of rates, grant funding and Reserve funding.

The Shire has several other projects that will be reviewed during the year as part of the Budget Review process and should funding become available.

2025/26 Rates Schedule

The Shire of Exmouth proposes to impose differential general rates based on the following categories for 2025/26 financial year:

Rate Category	Rate in Dollar (\$)	Minimum Payment (\$)
GRV Residential	0.0885	1500
GRV Business/Other	0.1050	1500
GRV Accommodation General	0.1068	1500
GRV Holiday Homes/ Marina	0.1328	1500
GRV Vacant Land	0.1770	1500
UV Rural	0.1071	1500
UV Mining	0.2142	490
UV Aquaculture	0.1478	490

The proposed 2025/26 differential rating categories, rate in the dollar amount and minimum payment amount continue to provide fairness and equity by ensuring that all properties appropriately contribute towards delivering on our community expectations and needs as outlined in our Strategic Community Plan and Corporate Business Plan.

Marina Specified Area Rate

Included in the 2025/26 Differential Rating proposal is a Specified Area Rate to be applied to properties zoned Marina that have canal frontage in the Exmouth Marina Precinct. As in previous years, these funds are used for environmental monitoring costs, periodic dredging, clearing and maintenance of the canal waterways.

Specified Area Rate	Basis of Valuation	Rate in Dollar (\$)	Minimum Payment (\$)
Marina Specified Area	GRV	0.0170	N/A

OBJECTS AND REASONS FOR PROPOSED DIFFERENTIAL AND MINIMUM RATES

Following are the objects and reasons for each of the differential rates based on properties use and whether the land is vacant in accordance with Shire of Exmouth Town Planning Scheme No.4:

GROSS RENTAL VALUE

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, home-based businesses, Business/Other properties, Holiday Homes (hosted and un-hosted) and other Accommodation as these categories have a higher demand on Shire resources.

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

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 essential community services and activities, maintaining infrastructure, furthering the Shire's strategic goals and encouraging and supporting residential development.

The proposed rate in \$ is 0.0885 of GRV Value with a minimum rate of \$1,500 to be applied.

This category currently consists of 1001 properties (53% of all properties within the Shire) and is expected to generate 45% of the total rate revenue requirements of Council.

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 home-based businesses (as approved by the Shire) as well as residentially zoned hosted short-term accommodation and all other properties that do not meet the requirements of another 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.

The proposed rate in \$ is 0.1050 of GRV Value with a minimum rate of \$1,500 to be applied.

This category currently consists of 342 properties (18% of all properties within the Shire) and is expected to generate 20% of the total rate revenue requirements of Council.

GRV Accommodation General

This rating category consists of commercial (non-residential) properties offering short-term Accommodation outside of the Marina zone.

The object of the rate for this category are the same as described for GRV Holiday Homes/Accommodation Marina Developed properties with the two categories to be consolidated over a three-year period from 2025/26 to 2027/28 in order to minimise the financial impact on Accommodation providers previously rated within the 'General' rating category.

The proposed rate in \$ is 0.1068 of GRV Value with a minimum rate of \$1,500 to be applied.

This category currently consists of 76 properties (4% of all properties within the Shire) and is expected to generate 7% of the total rate revenue requirements of Council.

GRV Holiday Homes/ Marina

This rating category consists of residentially zoned properties that have received Town Planning approval to operate as un-hosted short-term holiday home as required to be listed on the Short-Term Rental Accommodation Register under the *Short-Term Rental Accommodation Act 2024*. This category also includes commercial (non-residential) properties offering short-term Accommodation within the Marina zone.

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 use of these properties predominately for business and visitor travel and the additional costs associated with tourism and economic development activities.

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.

The proposed rate in \$ is 0.1328 of GRV Value with a minimum rate of \$1,500 to be applied.

This category currently consists of 173 properties (9% of all properties within the Shire) and is expected to generate 14% of the total rate revenue requirements of Council.

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.

The proposed rate in \$ is 0.1770 of GRV Value with a minimum rate of \$1,500 to be applied.

This category currently consists of 287 properties (15% of all properties within the Shire) and is expected to generate 11% of the total rate revenue requirements of Council.

UV Rural

This rating category consists of properties zoned Rural.

OBJECTS:

The object of the rate for this category 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.

The proposed rate in \$ is 0.1071 of UV Value with a minimum rate of \$1,500 to be applied.

This category currently consists of 5 properties (0.3% of all properties within the Shire) and is expected to generate 0.5% of the total rate revenue requirements of Council.

UV Mining

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

OBJECTS:

The object of the rate for this category is to ensure that mining 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.

The proposed rate in \$ is 0.2142 UV Value with a minimum rate of \$490 to be applied.

This category currently consists of 21 properties (1% of all properties within the Shire) and is expected to generate 1.5% of the total rate revenue requirements of Council.

UV Aquaculture

This rating category consists of properties used for aquaculture purposes.

OBJECTS:

The object of the rate for this category is to ensure that aquaculture operations contribute to the maintenance of Shire assets and services. This category will be consolidated with the UV Mining differential rate over a two year period 2025/26 to 2026/27.

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.

The proposed rate in \$ is 0.1478 of UV Value with a minimum rate of \$490 to be applied. This category currently consists of 2 properties (0.1% of all properties within the Shire) and is expected to generate 0.5% of the total rate revenue requirements of Council.

SPECIFIED AREA RATE

GRV Marina Specified Area

This Specified Area Rate applies to properties zoned Marina that have canal frontage in the Exmouth Marina Precinct.

The proposed rate in \$ is 0.0170 of GRV Value. Specified Rates within this category have no minimum set.

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.

SUBMISSIONS

All submissions are required to be made in writing, addressed to the Chief Executive Officer with respect to the proposed differential general rates, minimum payments and specified area rate within 21 days of the date of the notice of intent. Submissions must be received by the Shire of Exmouth no later than 4pm Friday 4 July 2025. Submissions may be:

- Mailed to PO Box 21, Exmouth WA 6707
- By email to: info@exmouth.wa.gov.au

BEN LEWIS
CHIEF EXECUTIVE OFFICER