

STATEMENT OF OBJECTIVES AND REASONS FOR PROPOSED DIFFERENTIAL RATES FOR THE YEAR ENDING 30 JUNE 2027

The Shire of Merredin (the Shire) provides services to a diverse region consisting of residential, commercial, industrial and rural properties. Council has adopted a differential rating approach for the 2026/27 financial year, to ensure that rate revenue is collected on an equitable basis.

The following are the proposed Differential Rates and Minimum Payments for the Shire for the 2026/26 financial year, to be effective from 1 July 2026.

Rate Category	Rate in the Dollar (expressed as cents in the \$)	Minimum Payment
GRV	0.123853	\$960
UV1 – Rural	0.010194	\$1,190
UV2 – Urban Rural	0.020300	\$1,190
UV3 – Mining	0.020000	\$200
UV4 – Special Use Power Generation	0.020388	\$1,190
UV5 – Special Use Airstrip	0.018491	\$1,190

What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the Shire in accordance with the *Local Government Act 1995*.

The overall objective of the proposed rates for 2026/27 is to provide for the net funding requirements of the Shire's services, activities, financing costs and the current and future capital requirements of the Shire, after considering all other forms of revenue.

The formulation of a rating system is about achieving a means by which the Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly equitable rating system for all properties, in all areas, is a difficult task if it is based on the property valuations alone. For this reason, there is refinement options made available, such as differential rating, which the Shire has elected to use.

The Valuer General's Office (a state government agency) values all rateable land within Western Australia and those values are forwarded to each local government. Two types of valuations are applied for the calculation of rates:

- Gross Rental Value (GRV) - land used for non-rural purposes; and
- Unimproved Value (UV) - land used for rural purposes.

Valuations

Landgate is the statutory authority responsible for the valuation process in accordance with the provisions of the *Local Government Act 1995* (LGA) and the *Valuation of Land Act 1978* (VLA). The VLA empowers the Valuer General (VG) to conduct general valuations based on the Gross Rental

Value (GRV) within WA at such times and frequency as he considers necessary and for Unimproved Value (UV) annually.

The date of the valuation is fixed by the VG. Values are determined relative to sales and rentals which are set at 1 August of the preceding year.

Unimproved Value (UV)

The definition of UV:

“the capital amount that an estate of fee simple in the land might reasonably be expected to realize upon sale, assuming that any improvements to the land had not been made”.

The VG determines unimproved values annually, with a valuation roll provided to local governments. The Shire has completed rates modelling including the revaluations received in effect from 1 July 2026.

Information on the VG’s Guide to Rating and Taxing values can be viewed by visiting their website at www.landgate.wa.gov.au.

Factors Affecting Valuations

Landgate – UV Revaluation Roll

The VLA empowers the VG to conduct general valuations on the GRV basis within WA at such times and frequency as he considers necessary and for UV annually.

Local Planning Scheme (LPS6)

LPS6 was gazetted by the Minister on 22 June 2011. The purposes of the Scheme are to:

- a) Set out the local government’s planning aims and intentions for the Scheme area;
- b) Set aside land for public purposes;
- c) Zone land within the Scheme area for the purposes defined in the Scheme;
- d) Control and guide land use and development;
- e) Set out procedures for the assessment and determination of planning applications;
- f) Make provisions for the administration and enforcement of the Scheme; and
- g) Address other matters set out in the first Schedule of the *Planning and Development Act 2005*.

LPS6 can be viewed by visiting the Shire’s website www.merredin.wa.gov.au.

Objections to Valuations

Under the VLA there are provisions for ratepayers to lodge an objection to the valuation with the Office of Landgate. The objection must be lodged within 60 days of the issue of the rate notice. It is important that any objection to a valuation should be on the grounds that the valuation is unjust or incorrect and not simply based on the quantum of rates payable.

Further information, brochures and objection forms are available from Landgate and can be viewed by visiting their website at www.landgate.wa.gov.au. We encourage ratepayers to telephone Landgate's Midland Office on (08) 9273 7373 to discuss their valuation concerns prior to lodging any formal objections.

Rating Yield Objective

In setting the rate in the dollar for each category, Council has taken into consideration the following factors:

- *Council Plan 2025 - 2035*

This strategic document ensures the continued commitment to sound financial management and debt management programs. Council continues to benchmark its activities and programs to ensure competitiveness and value for money is being obtained for our residents and ratepayers.

- *Service Provision*

The services and service levels provided by the Shire to the community.

- *Growth of Rated Properties*

The number of UV rated properties in the Shire has remained static over the past decade.

Differential Rates

The Shire applies a differential rating system based on the zoning and land use of a property in accordance with State Planning Legislation and the Local Planning Scheme.

UV Tiered

Council supports the use of the tiered scale as providing the most equitable option of differential rating for rural properties.

UV1 – Rural

UV1 sets the base rate for which the UV Tiered differential rating categories are applied and is set to achieve an equitable contribution to the cost of services desired by the community. The Shire imposes a consistent minimum rate across the rating categories, excluding UV3 – Mining Tenement, ensuring all properties contribute an equitable rate amount to non-exclusive services.

The Rate in the Dollar for this category is proposed in order to levy a rate aligned with the impact on the Shire of servicing these properties i.e. heavy haulage vehicle movements, environmental health and strategic planning. These properties also have access to all other services and facilities provided by the Shire. The minimum rate recognizes that all ratepayers have an equal opportunity to enjoy the facilities and services provided by the Shire, regardless of the value of their property.

Rate in the dollar applied is \$0.010194, with a minimum of \$1,190.00.

UV2 – Urban Rural Residential

UV2 differential rate applies to Urban Rural Residential properties as listed under the LPS6 Zoning Table. The object of the differential rate is to ensure an equitable spread of the costs associated with services provided to these properties.

The Rate in the Dollar for this category is proposed in order to levy a rate aligned with the impact on the Shire of servicing these properties. These properties also have access to all other services and facilities provided by the Shire. The minimum rate recognises that all ratepayers have an equal opportunity to enjoy the facilities and services provided by the Shire, regardless of the value of their property.

Rate in the dollar applied is \$0.020300, with a minimum of \$1,190.00.

UV3 – Mining Tenement

UV3 differential rate applies to mining tenements used for mining and exploration as listed only and are not related to the LPS6 Zoning Table. A lesser minimum is applied to this UV category than all others, due to the limited number of this type of property within the Shire. The object of the differential rate is to ensure an equitable spread of the costs associated with services provided to these properties.

The Rate in the Dollar for this category is proposed in order to levy a rate aligned with the impact on the Shire of servicing these properties.

Rate in the dollar applied is \$0.020000, with a minimum of \$200.

UV4 – Special Use Power Generation

UV4 differential rate applies to properties classified as Special Use Wind Farm as listed under the LPS6 Zoning Table and on which wind turbines have been constructed.

The differential rate also applies to properties classified land used Merredin Power as listed under the LPS6 Zoning Table, in addition to land use defined “Solar Farm” by the Shire in accordance with Section 6.33 (1) (b) of the *Local Government Act 1995*.

The object of the differential rate is to ensure an equitable spread of the costs associated with services provided to these properties.

The Rate in the Dollar for this category is proposed in order to levy a rate aligned with the impact on the Shire of servicing these properties.

Rate in the dollar applied is \$0.020388, with a minimum \$1,190.00.

UV5 – Special Use Airstrip

UV5 differential rate applies to properties zoned Special Use Airstrip as listed under the LPS6 Zoning Table.

The object of the differential rate is to ensure an equitable spread of the costs associated with services provided to these properties.

The Rate in the Dollar for this category is proposed in order to levy a rate aligned with the impact on the Shire of servicing these properties.

Rate in the dollar applied is \$0.018491, with a minimum \$1,190.00.

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 with the impost on ratepayers.

Submissions, addressed to the Chief Executive Officer, Shire of Merredin, PO Box 42, Merredin WA 6415, by electors or ratepayers in respect of the proposed Differential Rates and Minimum Payments, may be lodged to Council by 4:00pm on Friday, 20 June 2025.

Ratepayers are welcome to contact the Shire Administration Corporate Services Department regarding the differential rating categories on 9041 1611 or by email admin@merredin.wa.gov.au.

Appendix 1 - Legislation

Local Government Act 1995

Financial Management **Part 6**

Rates and Service Charges **Division 6**

6.33. Differential general rates

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
 - (a) the purpose for which the land is zoned, whether or not under a local planning scheme in force under the *Planning and Development Act 2005*;
 - (b) a purpose for which the land is held or used as determined by the local government;
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed.
- (2) Regulations may —
 - (a) specify the characteristics under subsection (1) which a local government is to use; or
 - (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.
- (4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.
- (5) A differential general rate that a local government purported to impose under this Act before the *Local Government Amendment Act 2009* section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

[Section 6.33 amended: No. 38 of 2005 s. 15; No. 17 of 2009 s. 39; No. 28 of 2010 s. 34; No. 45 of 2020 s. 113.] [Section 6.33 modified: SL 2020/57 1M.]

6.34. Limit on revenue or income from general rates

Unless the Minister otherwise approves, the amount shown in the annual budget as being the amount it is estimated will be yielded by the general rate is not to —

- (a) be more than 110% of the amount of the budget deficiency; or
- (b) be less than 90% of the amount of the budget deficiency.

6.35. Minimum payment

- (1) Subject to this section, a local government may impose on any rate able land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.
- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —
 - (a) 50% of the total number of separately rated properties in the district; or
 - (b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.
- (4) A minimum payment is not to be imposed on more than the prescribed percentage of —
 - (a) the number of separately rated properties in the district; or
 - (b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.
- (5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.
- (6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —
 - (a) to land rated on gross rental value; and
 - (b) to land rated on unimproved value; and
 - (c) to each differential rating category where a differential general rate is imposed.

[Section 6.35 amended by No. 49 of 2004 s. 61.] [Section 6.35 modified: SL 2020/57 1M.]

6.36. Local government to give notice of certain rates

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.
- (2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).
- (3) A notice referred to in subsection (1) —
 - (a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and
 - (b) is to contain —
 - (i) details of each rate or minimum payment the local government intends to impose; and

- (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and
 - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed; and
- (c) is to advise electors and ratepayers that the document referred to in subsection (3A) —
- (i) may be inspected at a time and place specified in the notice; and
 - (ii) is published on the local government’s official website.
- (3A) The local government is required to prepare a document describing the objects of, and reasons for, each proposed rate and minimum payment and to publish the document on the local government’s official website.
- (4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.
- (5) Where a local government —
- (a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or
 - (b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4),
it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.

[Section 6.36 amended: No. 16 of 2019 s. 62.] [Section 6.36 modified: SL 2020/57 1M.]