



Statement of Rating Objects and Reasons 2026/27

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Invitation to make Submissions

This Statement is provided:

- in accordance with section 6.36 of the *Local Government Act 1995*;
- to inform residents of the City of the objects and reasons for the differential rates and each minimum amount being proposed, why each rate is proposed and why it is set at the proposed amount for the 2026/27 financial year; and
- to invite submissions from our electors or ratepayers in respect of the proposed rates or minimum payments and any related matters.

Residents and electors wishing to make written submission are invited to lodge their submission with the City **by no later than 5pm on Thursday 18 June 2026**.

Written Submission can be forwarded to:

**Chief Executive Officer
City of Armadale
7 Orchard Avenue
Armadale WA 6112**

Submissions will also be accepted by email: info@armadale.wa.gov.au or lodged in person at the City's Administration Centre at 7 Orchard Avenue, Armadale.

Should you have any queries in respect to this Statement, please contact our Rates Department on 9394 5788.

Introduction

Rate revenue is an important part of the City's annual budget, enabling the delivery of a variety of services and facilities, including parks and civil infrastructure, recreation facilities, libraries, public halls, waste collection and disposal, urban planning and development approvals, and community services and events.

In line with the increase in the Local Government Cost Index, we are proposing increasing the rates yield by 4.8% for 2026-27 to ensure we can deliver these essential services and projects for our community.

Rate revenue constitutes around 64% of the City's total operating revenue of \$159.5M and is forecast to be \$102.0M including Interim rates for the forthcoming budget.

The proposed increase is intended to maintain existing service levels, respond to population growth and rising service demand, and support the long-term sustainability of the City's infrastructure and financial position.

Land is rated according to

- unimproved value (UV) for land used predominantly for rural purposes or
- gross rental value (GRV) for land used predominantly for non-rural purposes.

The City proposes to apply a single general rate to all of the properties in the unimproved value (UV) category, where the predominant use is rural.

The City proposes to continue to distinguish between land in our Gross Rental Value (urban) areas on the basis that it is:

- vacant land; or
- improved land that is primarily residential in nature and is NOT zoned for business purposes; or
- improved land that is zoned for business purposes

and apply a differential general rate and minimum payment to each.

The purpose of the imposition of a differential general rate and minimum payment is to ensure that there is alignment with the services, facilities, assets and projects provided by the City each year, and every landowner makes a reasonable contribution to the rate revenue required.

The intent of this 2026/27 Statement of Rating Objects and Reasons is to provide information that enables electors and ratepayers to consider the proposed differential rates and minimum payments, and to invite written submissions for Council's consideration as part of the annual budget process. This is a requirement under the *Local Government Act 1995*.

Key Projects and Services we will deliver in 2026-27

City Services are projected to cost \$140.1M in 2026-27, with an allocation from rates of \$80M. Other funding sources include fees, charges and grants.

The key services being delivered to our community include;

- Roads, footpaths and drainage infrastructure
- Free concerts and events
- Parks, Sporting Ovals, Streetscapes and Trees
- Recreation facilities including the Armadale Fitness and Aquatic Centre
- Libraries and the Champion Centre
- Waste Collection including verge collections and free tip passes
- Assistance to the Volunteer Bush Fire Brigades
- Community grants and donations to local clubs and organisations

The draft capital program for 2026-27 includes the following key projects;

- Armadale Regional Recreation Reserve Stage 1
- Central Park
- Gwynne Park Pavilion Construction
- Forrestdale Sporting Precinct
- Anstey Road
- Kelmscott Public Realm design
- Armadale Bowling Club renewal
- Piara Waters West – Playing Field
- Playground Replacement Program
- Pathways Renewal Program
- Roads Renewal Program

The capital investment program will be considered by Council as part of its budget deliberation in June and is therefore subject to change. The current draft program totals \$72.3M.

- | | |
|----------------------------------|---------|
| • Land | \$7.5M |
| • Buildings | \$23.9M |
| • Roads, Drainage & Bus Shelters | \$15.9M |
| • Pathways | \$1.0M |
| • Parks | \$15.7M |
| • Landfill Site | \$0.3M |
| • Furniture Plant & Equipment | \$8.0M |

Process to Establish the Rates

Legislative Framework

The Local Government rating system in Western Australia is governed by two State Acts of Parliament – The *Valuations of Land Act 1978* and the *Local Government Act 1995* (the “LGA”).

These two Acts set out how a property is to be valued and the basis for the calculation of rates for every rateable property in a Local Government district, based on its value. The LGA also establishes how a Local Government is to calculate the total amount required to be raised from rates, in order to fund its services and maintain its infrastructure assets.

The *Valuations of Land Act s18 and s22* requires the Valuer General to provide either a valuation on a Gross Rental Value (GRV) basis or on an Unimproved Value (UV) basis, as the case requires, for the purpose of assessing any rate or tax.

The valuation basis is established by the *Local Government Act s6.28* which sets out that the general principle is:

- a) *where the land is used predominantly for rural purposes, the Unimproved Value (UV) of the land; and*
- b) *where the land is used predominantly for non-rural purposes, the Gross Rental Value (GRV) of the land.*

The determination of the actual required rates to be raised is set out in *Section 6.2(2) of the LGA*, which stipulates that in preparation of the annual budget, local governments are to prepare detailed estimates for the budget year of –

- a) *“The expenditure by the local government; and*
- b) *the revenue and income, independent of general rates, of the local government; and*
- c) *the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income”.*

Section 6.32(1) of the Act then requires the local government to:

“When adopting the annual budget, a local government –

- (a) In order to make up the budget deficiency, is to impose a general rate on rateable land within its district ...”*

Local Governments may also apply differential rates, a minimum payment or special area rates for a specific purpose. The application of this type of rating is defined by *section 6.33, 6.35 and 6.37* of the LGA.

Further details are provided in the appendix, however the more pertinent sections of the LGA pertaining to Differential Rates and Specified Area Rates follow.

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 or improvement scheme in force under the Planning and Development Act 2005; or

(b) a purpose for which the land is held or used as determined by the local government; or

(c) whether or not the land is vacant land; or

(d) any other characteristic or combination of characteristics prescribed.

(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.

6.35. Minimum payment

(1) Subject to this section, a local government may impose on any rateable 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.

6.37. Specified area rates

(1) A local government may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers that the ratepayers or residents within that area —

(a) have benefited or will benefit from; or

(b) have access to or will have access to; or

(c) have contributed or will contribute to the need for, that work, service or facility.

(4) A local government may only use the money raised from a specified area rate —

(a) to meet the cost of providing the specific work, service or facility for which the rate was imposed; or

(b) to repay money borrowed for anything referred to in paragraph (a) and interest on that money.

Rating Strategy

Rates are used to supplement other sources of funds (fees, charges, grants and interest) to meet the cost of providing the City's services, expenditure on assets, debt repayment and planned savings (transfer to cash reserves). Typically, Local Government rates are a function of:

- The characteristics of the Local Government area such as size, asset base, homogeneous or diversified localities, undeveloped, developing or largely developed suburbs etc;
- The services provided by the Local Government;
- The level of service provided by the Local Government;
- The user pays policies of the Council.

Armadale is characterised by its high growth areas, its Strategic Metropolitan Centre and a mix of old and new suburbs. It does not necessarily have an intense commercial or industrial centre, however the Forrestdale Business Park and South Forrestdale – Rowley Road Precinct is beginning to establish this characteristic now and into the future. As a result, this continues to place a greater reliance on residential rates presently, to contribute to the total rates required.

Council has recognised that the level of service provided does vary between localities, particularly amenities provided and maintained in the newly developed suburbs. To address the difference in service levels, the City has adopted a strategy of Differential Rating and Specified Area Rates (SARs) to fund the higher service level directly from those who benefit.

Principles

The City's rates strategy is underpinned by the key values of objectivity, fairness and equity, consistency, transparency and administrative efficiency:

- **Objectivity** – The land on which differential general rates has been rated according to one or more of the following land characteristics:
 - zoning
 - land use
 - vacant land
- **Fairness and Equity** – The City undertakes comprehensive reviews of services, projects, revenues and costs and considers efficiency measures as part of its budget deliberations.

The objects of imposing differential rates and reasons for each proposed differential general rate are clearly explained in this document as to why each differential general rate is proposed to be imposed.

- **Consistency** – The City rates similar properties that are used for the same purpose in the same way. The proposed differential rates align with the rating strategy in the corporate business plan and long term financial plan. A review of other neighbouring or similar local government districts has also been undertaken, and is included in this document.

- **Transparency and Administrative Efficiency** – The City has prepared and made publicly available a document and provides public notice as an invitation for submissions to be made by an elector or ratepayer. Each submission (if any) will be considered by the Council.

Differential rates

The City of Armadale applies differential rates on our Gross Rental Value (GRV) properties pursuant to section 6.33(1)(a) and (c) of the *Local Government Act 1995*, i.e. according to the purpose for which land is zoned under the (3) planning schemes in use within the district and according to whether land is vacant.

The differential rates are levied on all Gross Rental Value (GRV) rateable land within the City that is predominantly non-rural in use, according to:

- The purpose for land is zoned under the planning schemes in use within the district (*section 6.33(1)(a) of the Act* refers); or
- Whether or not the land is vacant land (*section 6.33(1)(c) of the Act* refers).

The rates are set at differential levels that provide, as far as is practically possible, a fair and equitable distribution of the rates to each rate category having regard to its demands on the City's services.

The City is again proposing three (3) GRV differential rate categories and minimum rates for non-rural land, namely:

- **Category 1 – Vacant Land:** all vacant land
- **Category 2 – Residential Improved:** all improved land that is NOT zoned for business purposes (i.e. primarily residential land);
- **Category 3 – Business Improved:** all improved land that is zoned for business purposes.

Minimum Payments

A minimum payment is applied to each rate category in recognition that every property receives at least a minimum level of benefit from works and services provided by the City.

The minimum payment for each rate category is set at a level that is consistent with previous years and relative to the rate in the dollar for each differential rate group. Each is proposed at an amount which recognises the characteristics and particular demand on the City's infrastructure and services.

Formulation of the 2026/27 Annual Budget

Local Governments provide a range of community services and facilities funded wholly or in part by revenue raised from rates. The amount of rates required is determined after deducting other sources of revenue from the cost of providing City services and maintaining City assets. Other funding sources include user pays fees, statutory charges, lease revenue, grants, and loan funds for capital projects.

It continues to be challenging managing the budget change process and adapting to the current economic conditions of increased inflation. Nonetheless, the process has been robust and the draft budget as it currently stands represents a thorough consideration of the City's growth, services, projects, revenues and costs through the long term financial planning process.

The City's operating revenue, including rates, is budgeted to be around \$159.5M. Rate revenue is forecast to total approximately \$102M.

The City supplements its operating revenue with other sources of funds and has a draft capital works program worth \$72.3M for the financial year ending 30 June 2027 (FY27).

LTFF (EXTRACT)
DRAFT STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2027

	2026/27 Draft Budget	2025/26 Budget
	\$	\$
OPERATING ACTIVITIES		
Revenue from operating activities		
General rates	102,065,766	95,644,265
Rates excluding general rates	650,703	620,688
Grants, subsidies and contributions	7,849,496	6,530,960
Fees and charges	39,971,183	37,677,901
Interest revenue	7,984,060	6,667,156
Other revenue	696,856	671,903
Profit on asset disposals	0	0
	159,218,064	147,812,873
Expenditure from operating activities		
Employee costs	(62,195,762)	(59,696,230)
Materials and contracts	(58,902,538)	(57,979,120)
Utility charges	(5,506,313)	(5,309,844)
Depreciation	(33,027,455)	(30,501,843)
Finance costs	(2,015,298)	(1,598,971)
Insurance	(1,626,632)	(1,568,594)
Other expenditure	(4,446,592)	(1,849,427)
Loss on asset disposals	0	0
	(167,720,590)	(158,504,029)
Non-cash amounts excluded from operating activities	33,027,455	30,501,842
Amount attributable to operating activities	24,524,929	19,810,686
INVESTING ACTIVITIES		
Inflows from investing activities		
Proceeds from capital grants, subsidies and contributions	24,158,767	45,680,400
Proceeds from disposal of assets	554,300	1,698,300
Developer Contribution Plans - Cash	9,120,500	4,548,900
Developer Contribution Plans - Gifted Assets	20,000,000	28,000,000
	53,833,567	79,927,600
Outflows from investing activities		
Right of Use Assets Recognised	0	(3,199,700)
Payments for property, plant and equipment	(30,005,100)	(44,777,800)
Payments for construction of infrastructure	(21,720,735)	(38,067,200)
Infrastructure - Gifted Assets	(20,000,000)	(28,000,000)
	(71,725,835)	(114,044,700)
Non-cash amounts excluded from investing activities	2,605,508	11,865,824
Amount attributable to investing activities	(15,286,760)	(22,251,276)
FINANCING ACTIVITIES		
Inflows from financing activities		
Proceeds from new borrowings	2,906,000	10,165,000
Lease Liabilities recognised	0	3,199,700
Transfer from reserves	22,721,326	18,547,667
	25,627,326	31,912,367
Outflows from financing activities		
Repayment of borrowings	(4,088,810)	(4,098,306)
Payments for principal portion of lease liabilities	(1,844,714)	(1,034,720)
Transfer to reserves	(28,931,971)	(24,143,115)
	(34,865,495)	(29,276,141)
Non-cash amounts excluded from financing activities	0	(3,199,700)
Amount attributable to financing activities	(9,238,169)	(563,474)
MOVEMENT IN SURPLUS OR DEFICIT		
Surplus or deficit at the start of the financial year	0	3,004,064
Amount attributable to operating activities	24,524,929	19,810,686
Amount attributable to investing activities	(15,286,760)	(22,251,276)
Amount attributable to financing activities	(9,238,169)	(563,474)
Surplus or deficit after imposition of general rates	0	0

Statement of Rating Objects & Reasons

RATES								
Rating Information								
Rate Type	Rate in \$ / cents	Property Numbers #	2026/27 New Rateable Value \$	2026/27 Budgeted Rate Revenue \$	2026/27 Budgeted Interim Rates \$	2026/27 Budgeted Total Revenue \$	2025/26 Forecast Total Revenue \$	2025/26 Budget Total Revenue \$
Differential Rate								
<u>Gross Rental Value Lands</u>								
Vacant	12.3643	653	23,169,966	2,864,808	-	2,864,808	2,765,251	6,952,919
Residential Improved	6.8356	32,417	1,012,853,585	69,053,452	1,288,582	70,342,034	66,937,683	63,978,097
Business Improved	9.0842	978	162,475,628	14,759,296	-	14,759,296	14,051,212	12,567,917
<i>Subtotal Differential Rates</i>		34,048	1,198,499,179	86,677,556	1,288,582	87,966,137	83,754,146	83,498,933
General Rates								
<u>Unimproved Value Lands</u>								
General Rate	0.4702	133	192,396,500	904,682	-	904,682	879,598	704,936
Minimum Payment								
<u>Gross Rental Value Lands</u>								
Vacant	1,326	1,621	11,756,147	2,148,917	331,418	2,480,336	2,292,026	2,608,339
Residential Improved	1,530	6,668	131,443,912	10,200,645	-	10,200,645	8,269,971	8,397,792
Business Improved	1,780	276	4,057,930	491,144	-	491,144	588,972	643,544
<i>Subtotal Differential Minimum Rates</i>		8,565	147,257,989	12,840,706	331,418	13,172,125	11,150,969	11,649,675
<u>Unimproved Value Lands</u>								
General Rural Minimum	1,832	7	1,448,278	12,821	-	12,821	15,564	22,721
TOTAL								
<u>Gross Rental Value Lands</u>								
Vacant		2,274	34,926,113	5,013,725	331,418	5,345,143	5,057,277	9,561,258
Residential Improved		39,085	1,144,297,497	79,254,097	1,288,582	80,542,678	75,207,654	72,375,889
Business Improved		1,254	166,533,558	15,250,440	-	15,250,440	14,640,184	13,211,461
		42,613	1,345,757,168	99,518,262	1,620,000	101,138,262	94,905,115	95,148,608
<u>Unimproved Value Lands</u>								
General Rural Minimum		140	193,844,778	917,503	-	917,503	895,162	727,657
GRAND TOTAL		42,753		100,435,766	1,620,000	102,055,766	95,800,277	95,876,265
Less - Rate Concession				(20,000)		(20,000)	(20,000)	(20,000)
Less - Back Rates				-		-	-	-
Total General Rates Raised				100,415,766		102,035,766	95,780,277	95,856,265
Rate Equivalent Payments and Adjustments				30,000		30,000	31,000	31,000
Specified Area Rates Raised				627,167		650,703	622,607	620,900
Total Rates Raised				101,072,933		102,716,469	96,433,884	96,508,165

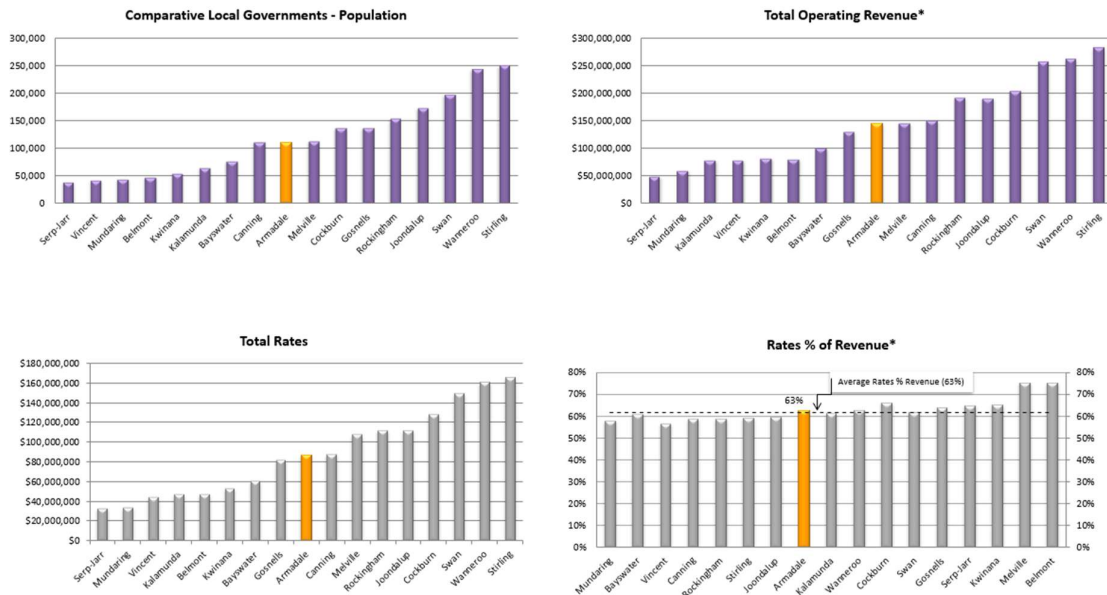
Review of rates in neighbouring or similar local government districts.

Rating Effort and the Level of Rates

The “rating effort” is described as the level of rates required to provide a Local Government’s range of services after deducting all other revenue streams. It is a function of both the characteristics of a Local Government district and the level and range of services a Local Government provides.

In the first instance, the range of services provided, the level of service and the user pays policies will generate a funding requirement, to be supplemented by rates. However, rates are also affected by the Local Government area itself – its urban density and the proportion of residential properties to commercial and industrial properties. Put simply, if a district has a higher density or a greater proportion of commercial or industrial development, then the average residential rates will be lower.

To understand these characteristics further, it is useful to compare revenues, property valuations and rates between Local Governments. The next section provides an insight into the City of Armadale’s characteristics compared with other Local Government districts.



A good indicator of rating effort is the percentage (%) of rates compared to the overall revenue of a Local Government, and the average rates, in comparison to other similar Local Governments.

The following data was obtained from the Annual Report of fifteen (15) metropolitan Local Governments for the **FY25 financial year**.

Rating Effort	FY24			FY25			Change from FY24 to FY25	
	City of Armadale	Average Metro LG's	Difference CoA to Metro	City of Armadale	Average Metro LG's	Difference CoA to Metro	City of Armadale	Average Metro LG's
% of operating revenue	62%	63%	1%	63%	63%	0%	1%	0%
Average Residential, Commercial and Vacant Land Rates	\$2,091	\$1,983*	\$108	\$2,203	2069*	\$134	\$112	\$86
Average Residential Rates only	\$1,909	\$1,657*	\$252	\$1,912	\$1,664	\$250	\$3	\$7

*City of Belmont and City of Canning excluded from the analysis

Residential rates can be greatly influenced by the other property types and localities in a local government district. For example, the City of Belmont receives a substantial rates equivalent payment from the Perth Airport, which contributes to the overall rate funding requirement. The City of Cockburn has the Jandakot Airport within its district, whilst the City of Canning also has a significant proportion of its district zoned for commercial and industrial use, which provide a higher Gross Rental Valuation over a residential property. Armadale's characteristics are typified by its wide Local Government area, high growth, comparatively low commercial and industrial base and a mix of low to medium urban density development.

General Gross Rental Value (GRV) Revaluation

Every three years, a general revaluation of properties in urban areas is applied to the property's Gross Rental Valuation (GRV). This does not necessarily affect the total rate yield of a Local Government, as the Rate in the Dollar (RID) is usually adjusted up or down to yield the required rates. The effect of the GRV revaluation is to redistribute the portion each property contributes to the total required rates. The combination of the valuation changes and RID changes normally results in some ratepayers paying more and some paying less.

The GRV represents the gross annual rental that a property might reasonably be expected to earn annually if it were rented, including rates, taxes, insurance and other outgoings. The GRV is calculated by Landgate for all rateable and leviable properties in Western Australia regardless of whether the property is being rented or owner occupied.

All properties within a Local Government area are assessed at the same date. This date is used by valuers to ensure a fair and equitable assessment is completed for all properties at a given point in time. The assessment date, which is known as the Date of Valuation is conducted every 3 years for the metropolitan area and 3 to 6 years for regional areas, depending on the Local Government. The GRV remains in force for the respective 3 to 6 year period until the next GRV is calculated.

Valuers at Landgate collect rental evidence at the date of valuation. The rental evidence is analysed to establish property market levels, with individual property attributes considered to determine a fair rental value for each property.

Given the time it takes to collect and analyse evidence and calculate new GRV's for all Western Australian properties, there is a delay between the date of valuation and the date the valuations are applied by Local Governments. For Local Governments located in the metropolitan area this timeframe is around 23 months between the date of valuation and the effective date (when they can apply the valuation to general rates, taxes or charges). In other words the date of valuation for the GRV applied for 1 July 2026 is 1 August 2024.

On 1st July 2026, the new GRV's will come into force. The result of the GRV revaluation is an increase overall of \$445M up from \$900M to \$1.345B. A closer analysis reveals an average 55% increase on residential properties, 20% increase on commercial properties and 32% increase on vacant land.

The effect of the GRV changes is a shift in the proportionate value between each of the rating categories (Vacant, Residential and Business) and between the suburbs themselves.

Notwithstanding this proportional shift in valuation between the three categories, the Rate in the Dollar (RID) has been adjusted to yield the same rates in the same proportion as existed at 30 June 2026, before the new property valuations. In the case of Residential Improved Properties, the portion of the total rates prior to the general GRV revaluation was 79.7%. Following the application of the new GRVs, the RID was adjusted to ensure that the portion of rates derived remained at 79.7%.

Rates Increase FY27

Council is proposing an overall increase in rates revenue of 4.8% based on the projected Local Government Cost Index Factor (LGCI) for FY26. The Local Government Cost Index (LGCI), provided by WALGA, is the City's equivalent of a CPI indicator. It reflects changes in the WA economy that are most relevant to local government operations and is used to inform Council decisions on rate and cost increases.

The March 2026 WALGA Economic Briefing is summarised below

Component	Weighting	2024-25 (actual)	2025-26 (forecast)	2026-27 (forecast)	2027-28 (forecast)	2028-29 (forecast)
Employee Costs	35%	5.4	4.0	3.5	3.5	3.5
Materials and Contracts	28%	2.4	2.8	2.8	2.7	2.7
Furniture	1%	5.6	7.2	1.3	1.3	1.3
Non-Residential Building	5%	4.9	9.0	4.6	2.8	2.3
Machinery and Equipment	5%	4.5	0.5	1.2	1.2	1.2
Non-Road Infrastructure	9%	3.3	7.4	4.0	2.9	2.4
Road and Bridge Construction	10%	2.2	11.9	4.3	3.2	2.4
Utilities	3%	3.2	3.0	3.0	3.0	3.0
Insurance	1%	4.1	1.9	1.5	1.5	1.5
Other	3%	2.9	3.8	3.3	3.0	3.0
LGCI	100%	3.8	4.8	3.3	3	2.8

Differential Rates – Gross Rental Value Land Category

The City of Armadale applies differential rates to Gross Rental Valued (GRV) properties, pursuant to section 6.33(1)(a) and (c) of the *Local Government Act 1995*, i.e. according to whether land is vacant and according to the purpose for which land is zoned under the planning schemes in use within the district.

The differential rates are levied on all non-rural (GRV) rateable land within the City according to:

- a) Whether or not the land is vacant land (*section 6.33(1)(c) of the Act* refers), and
- b) The purpose for land is zoned under the planning schemes in use within the district (*section 6.33(1)(a) of the Act* refers).

The rates are set at differential levels that provide, as far as is practically possible, a fair and equitable distribution of the rates to each rate category having regard to its demands on the City's services.

The City is again proposing three (3) GRV differential rate categories for non-rural land, namely:

- Category 1 all vacant land
- Category 2 all improved land that is NOT zoned for business purposes (primarily residential type land); and
- Category 3 all improved land that is zoned for business purposes

Specifically, the City utilises the following differential categories with these objects and reasons:

GRV Residential Improved Land

The objective of this differential rate is to apply a base differential general rate to developed land, zoned for non-business purposes. It acts as the City's benchmark differential rate by which all other GRV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City of Armadale. It is also lower than the vacant land differential rate as the City is encouraging owners of larger land holdings to develop, rather than land bank.

The proposed rate in the dollar for this GRV differential is 6.8356 cents in the dollar. A minimum rate of \$1,530 applies to this category, which is an increase of 4.8% on last year's minimum rate.

GRV Vacant Land

The objective of this differential rate is to impose a higher differential rate for vacant land, to encourage development within the City.

The reason for this rate is to achieve a fair and equitable contribution from owners of vacant land, particularly owners of land with development potential, towards the improvement and delivery of services, assets and facilities by the City. It is an effort to promote the development of all properties to their full potential, thereby stimulating economic growth and development.

The proposed rate in the dollar for this category is 12.3643. A minimum rate of \$1,326 applies to this category, which is an increase of 4.8% from last year. The lower minimum rate (than the Residential Improved category) is to ensure fairness and equity for owners of smaller residential lots, who may not necessarily be benefiting from the full range of City services.

GRV Business Improved Land

The objective for this differential rate is to ensure that all properties within the City, zoned as Business Improved under Town Planning Scheme 4 (i.e. within metropolitan city, district or local centres) contribute fairly and equitably towards City services.

The reason for this rate in the dollar is set to ensure that the amount of rates derived from business improved land recognises the specific demands on the City's infrastructure and services, occasioned by matters such as:

- the City's Economic Development function which is largely to provide support for the industrial and commercial community;
- The improvements to the upgrade of and renewal of the street network in the CBD, including improvements to the street lighting systems;

- Increased maintenance and operational costs in and around shopping precincts including verge mowing, litter removal, street trees and weed control spraying;
- Increased maintenance and operational costs in industrial areas, particularly related to drainage.

The proposed rate in the dollar for this category is 9.0842 cents in the dollar. A minimum payment of \$1,780 applies to this category, which is an increase of 4.8% on last year's minimum rate.

Proposed Rate-in-the-Dollar (RID)

The proposed differential RID outlined in the 2026/27 Statement of Rating Objects and Reasons has been reduced to offset the increase in the Gross Rental Valuations and derive the same amount of rates, with a 4.8% increase as the City would have derived if the General Revaluation of the GRV had not occurred. To contrast the decrease, the following table provides the comparative RIDS for the financial years 2025/26 and 2026/27.

Differential Rate Category	FY26 Rate in the \$ (cents)	FY27 Rate in the \$ (cents)	FY26 Minimum Rate \$	FY27 Minimum Rate \$
Vacant Land	15.6916	12.3643	1,265	1,326
Residential Improved	10.1225	6.8356	1,460	1,530
Business Improved	10.5632	9.0842	1,698	1,780

UV Rates

The objective for this general rate for unimproved valued (UV) properties is to ensure a fair and equitable contribution from UV land towards services and facilities provided by the City.

The reason for this rate is to recognise the nature, scale and extent of rural activity and access to services, assets and facilities.

The proposed rate in the dollar has been set to 0.4702. A minimum payment of \$1,832 applies to this category, also an increase of 4.8%.

Minimum Payments

A minimum payment is applied to each rate category in recognition that every property receives at least a minimum level of benefit from works and services provided by the City.

Note that the proposed minimum payment of \$1,326 on the vacant land category applies to more than fifty percent (50%) of all vacant land properties and therefore would require approval from the Minister pursuant to section 6.35(5) of the *Local Government Act 1995* before the Council could impose the minimum rate for vacant land.

Specified Area Rates (SARs)

The City imposes Specified Area Rates (SARs) on certain locations in the district. SARs enables the enhancement of the general amenity of an area by way of increased service levels for the benefit of ratepayers/residents who live or work in the area. This may include services and activities such as litter control, verge and streetscape maintenance, verge mowing etc.

The authority to impose specified area rates is set out in section 6.37 of the *Local Government Act 1995*. This section requires that the money raised from a SAR be used for the purpose for which the rate was imposed, with any residual amount remaining being placed in a reserve for that same purpose. The SARs for 2026-27 have been indexed by 4.8% representing the general increase in Local Government costs over the course of 2025/26.

The City has two categories of SARs – Townscape and Residential.

The Townscape Amenity Service has four business/commercial areas;

- Specified Area A – Armadale Town Centre
- Specified Area B – Kelmscott Town Centre
- Specified Area C – Kelmscott Industrial Area
- Specified Area D - South Armadale Industrial Area

The Residential Amenity Service has two areas;

- Specified Area F – North Forrestdale
- Specified Area G – Champion Lakes

The proposed SAR Rates for 2026/27 are:

Specified Area	Rate in \$ (Cents)	No of Properties	Rateable Value (\$GRV)	Rates to be Levied (\$)
A - Armadale Town Centre	0.4648	89	30,385,535	142,738
B - Kelmscott Town Centre	0.8747	80	9,140,915	80,801
C - Kelmscott Industrial Area	0.1336	348	17,536,735	23,685
D - South Armadale Industrial Area	0.2930	142	9,200,546	27,248
F - Harrisdale/Piara Waters	0.1896	5148	188,124,084	360,512
G - Champion Lakes	0.1553	333	10,018,920	15,720
Total		6,140	264,406,735	650,703

APPENDIX

The Rating Legislative Framework in detail – Setting the Required Rates

In setting the required rates, the Council must have due regard to the requirements of Section 3.18 of the *Local Government Act 1995*, with respect to providing services and facilities. This section stipulates that:

3.18. Performing executive functions

- (1) *A local government is to administer its local laws and may do all other things that are necessary or convenient to be done for, or in connection with, performing its functions under this Act.*
- (2) *In performing its executive functions, a local government may provide services and facilities.*
- (3) *A local government is to satisfy itself that services and facilities that it provides —*
 - (a) *integrate and coordinate, so far as practicable, with any provided by the Commonwealth, the State or any public body; and*
 - (b) *do not duplicate, to an extent that the local government considers inappropriate, services or facilities provided by the Commonwealth, the State or any other body or person, whether public or private; and*
 - (c) *are managed efficiently and effectively.*

For information purposes, the rating provisions of the *Local Government Act 1995* relevant to this Statement are as follows, i.e.

6.28. Basis of rates

- (1) *The Minister is to —*
 - (a) *determine the method of valuation of land to be used by a local government as the basis for a rate; and*
 - (b) *publish a notice of the determination in the Government Gazette.*
- (2) *In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be —*
 - (a) *where the land is used predominantly for rural purposes, the unimproved value of the land; and*
 - (b) *where the land is used predominantly for non-rural purposes, the gross rental value of the land.*

- (3) *The unimproved value or gross rental value, as the case requires, of rateable land in the district of a local government is to be recorded in the rate record of that local government.*
- (4) *Subject to subsection (5), for the purposes of this section the valuation to be used by a local government is to be the valuation in force under the Valuation of Land Act 1978 as at 1 July in each financial year.*
- (5) *Where during a financial year —*
 - (a) *an interim valuation is made under the Valuation of Land Act 1978; or*
 - (b) *a valuation comes into force under the Valuation of Land Act 1978 as a result of the amendment of a valuation under that Act; or*
 - (c) *a new valuation is made under the Valuation of Land Act 1978 in the course of completing a general valuation that has previously come into force,*

the interim valuation, amended valuation or new valuation, as the case requires, is to be used by a local government for the purposes of this section.

6.32. Rates and service charges

- (1) *When adopting the annual budget, a local government —*
 - (a) *in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either —*
 - (i) *uniformly; or*
 - (ii) *differentially; and*
 - (b) *may impose* on rateable land within its district —*
 - (i) *a specified area rate; or*
 - (ii) *a minimum payment; and*
 - (c) *may impose* a service charge on land within its district.*

** Absolute majority required.*

- (2) *Where a local government resolves to impose a rate it is required to —*
 - (a) *set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and*
 - (b) *set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.*
- (3) *A local government —*
 - (a) *may, at any time after the imposition of rates in a financial year, in an emergency, impose* a supplementary general rate or specified area rate for the unexpired portion of the current financial year; and*

(b) is to, after a court or the State Administrative Tribunal has quashed a general valuation, rate or service charge, impose* a new general rate, specified area rate or service charge.

* Absolute majority required.

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 or improvement scheme in force under the Planning and Development Act 2005; or
 - (b) a purpose for which the land is held or used as determined by the local government; or
 - (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.

6.35. *Minimum payment*

- (1) Subject to this section, a local government may impose on any rateable 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.

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

- (5) *If a local government receives more money than it requires from a specified area rate on any land or if the money received from the rate is no longer required for the work, service or facility the local government:*
- (a) *may, and if so requested by the owner of the land is required to, make a refund to that owner which is proportionate to the contributions received by the local government; or*
 - (b) *is required to allow a credit of an amount proportionate to the contribution received by the local government in relation to the land on which the rate was imposed against future liabilities for rates or service charges in respect of that land.*