

# Statement of Rating Objects and Reasons 2025/26

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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 2025/26 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 Wednesday 21 May 2025.**

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](mailto: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 5777.**

## 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 3.6% for 2025-26 to ensure we can deliver these essential service and projects to our community.

Rate revenue constitutes around 62% of the City's total operating revenue of \$149M and is forecast to be \$94.5m in the forthcoming budget.

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 the 2025/26 Statement of Objects and Reasons for differential rating is to provide information that allows electors and residents to consider the proposed differential and minimum rates and invite written submissions that will allow council to consider these matters as part of its annual budget process. This is a requirement under the *Local Government Act 1995*.

## Key Projects and Services we will deliver in 2025-26

City Services are projected to cost \$126M in 2025-26, with an allocation from rates of \$72M. 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 community grants

The draft capital program for 2025-26 includes the following key projects;

- Armadale Regional Recreation Reserve Stage 1
- Morgan Park Facility Construction
- Gwynne Park Facility Construction
- Eighth Rd Stage 2
- Railway Ave Shared Pathway Yr 1 of 2
- Pathways Renewal Program
- Roads Renewal Program
- Central Park Construction
- Piara Waters West – Playing Field
- Playground Replacement Program
- Landfill Transfer Station Construction

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 \$80.7M.

- |                                  |         |
|----------------------------------|---------|
| • Buildings                      | \$36.1M |
| • Roads, Drainage & Bus Shelters | \$11.2M |
| • Pathways                       | \$2.2M  |
| • Parks                          | \$21.9M |
| • Landfill Site                  | \$1.2M  |
| • Furniture Plant & Equipment    | \$8.1M  |

## 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, homogenous 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 Special Area Rating (SAR) 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 publically 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) this is predominantly non-rural use rateable land within the City, 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 2025/26 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 review of the City's services, projects, revenues and costs.

The City's operating revenue, including rates, is budgeted to be around \$149M. Rate revenue constitutes \$94.5M.

The City supplements its operating revenue with other sources of funds and has a draft capital works program worth \$80.7M for the financial year ending 30 June 2026 (FY26).

**LTFP (EXTRACT)**  
**DRAFT STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 30 JUNE 2026**

	2025/26 Draft Budget	2024/25 Budget
	\$	\$
<b>OPERATING ACTIVITIES</b>		
<b>Revenue from operating activities</b>		
General rates	94,390,425	88,359,484
Rates excluding general rates	620,688	599,100
Grants, subsidies and contributions	8,944,843	7,774,500
Fees and charges	37,617,985	35,785,700
Interest revenue	6,667,156	6,226,400
Other revenue	996,218	961,600
Profit on asset disposals	0	15,800
	149,237,315	139,722,584
<b>Expenditure from operating activities</b>		
Employee costs	(57,487,387)	(56,680,100)
Materials and contracts	(53,386,610)	(52,133,200)
Utility charges	(5,228,615)	(4,564,300)
Depreciation	(37,501,845)	(34,506,400)
Finance costs	(1,922,150)	(1,684,630)
Insurance	(1,463,246)	(1,412,400)
Other expenditure	(3,909,960)	(7,779,880)
Loss on asset disposals	0	(1,009,400)
	(160,899,813)	(159,770,310)
Non-cash amounts excluded from operating activities	38,683,159	35,500,000
<b>Amount attributable to operating activities</b>	27,020,661	15,452,274
<b>INVESTING ACTIVITIES</b>		
<b>Inflows from investing activities</b>		
Proceeds from capital grants, subsidies and contributions	44,467,600	6,676,500
Proceeds from disposal of assets	1,698,300	495,900
Developer Contribution Plans - Cash	4,548,900	3,293,300
Developer Contribution Plans - Gifted Assets	28,000,000	28,000,000
	78,714,800	38,465,700
<b>Outflows from investing activities</b>		
Right of Use Assets Recognised	0	(2,679,765)
Payments for property, plant and equipment	(44,134,500)	(15,935,800)
Payments for construction of infrastructure	(36,543,300)	(16,140,700)
Infrastructure - Gifted Assets	(28,000,000)	(28,000,000)
	(108,677,800)	(62,756,265)
Non-cash amounts excluded from investing activities	0	7,396,565
<b>Amount attributable to investing activities</b>	(29,963,000)	(16,894,000)
<b>FINANCING ACTIVITIES</b>		
<b>Inflows from financing activities</b>		
Proceeds from new borrowings	10,209,600	9,893,100
Lease Liabilities recognised	0	2,679,765
Transfer from reserves	22,120,917	19,867,800
	32,330,517	32,440,665
<b>Outflows from financing activities</b>		
Repayment of borrowings	(4,088,810)	(4,071,874)
Payments for principal portion of lease liabilities	(1,412,900)	(1,460,900)
Transfer to reserves	(23,886,468)	(23,036,400)
	(29,388,178)	(28,569,174)
Non-cash amounts excluded from financing activities	0	(2,679,765)
<b>Amount attributable to financing activities</b>	2,942,339	1,191,726
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>		
<b>Surplus or deficit at the start of the financial year</b>	0	250,000
Amount attributable to operating activities	27,020,661	15,452,274
Amount attributable to investing activities	(29,963,000)	(16,894,000)
Amount attributable to financing activities	2,942,339	1,191,726
<b>Surplus or deficit after imposition of general rates</b>	0	0

Statement of Rating Objects & Reasons

Rating Information			2025/26 New Rateable Value \$	2025/26 Budgeted Rate Revenue \$	2025/26 Budgeted Interim Rates \$	2025/26 Budgeted Total Revenue \$	2024/25 Forecast Total Revenue \$	2024/25 Budget Total Revenue \$
Rate Type	Rate in \$ / cents	Property Numbers #						
<b>Differential Rate</b>								
<u>Gross Rental Value Lands</u>								
Vacant	15.6916	1,752	43,799,326	6,881,852	-	6,881,852	2,813,130	2,813,130
Residential Improved	10.1225	31,041	619,987,195	62,751,336	983,761	63,735,097	63,544,590	61,444,590
Business Improved	10.5632	834	118,989,351	12,567,917	-	12,567,917	12,113,108	12,113,108
Subtotal Differential Rates		33,627	782,775,872	82,201,105	983,761	83,184,866	78,470,828	76,370,828
<b>General Rates</b>								
<u>Unimproved Value Lands</u>								
General Rate	0.5118	126	137,741,000	704,936	-	704,936	696,583	696,583
<b>Minimum Payment</b>								
<u>Gross Rental Value Lands</u>								
Vacant	1,265	1,812	9,672,636	2,292,100	316,239	2,608,339	2,628,436	2,628,436
Residential Improved	1,460	5,753	74,831,091	8,397,792	-	8,397,792	8,063,403	8,063,403
Business Improved	1,698	379	4,346,682	643,544	-	643,544	565,284	565,284
Subtotal Differential Minimum Rates		7,944	88,850,409	11,333,436	316,239	11,649,675	11,257,123	11,257,123
<u>Unimproved Value Lands</u>								
General Rural Minimum	1,748	13	3,176,494	22,721	-	22,721	25,310	25,310
<b>TOTAL</b>								
<u>Gross Rental Value Lands</u>								
Vacant		3,564	53,471,962	9,173,952	316,239	9,490,191	5,441,566	5,441,566
Residential Improved		36,794	694,818,286	71,149,128	983,761	72,132,889	71,607,993	69,507,993
Business Improved		1,213	123,336,033	13,211,461	-	13,211,461	12,678,392	12,678,392
		41,571	871,626,281	93,534,541	1,300,000	94,834,541	89,727,951	87,627,951
<u>Unimproved Value Lands</u>								
General Rural Minimum		139	140,917,494	727,657	-	727,657	721,893	721,893
<b>GRAND TOTAL</b>		<b>41,710</b>		<b>94,262,198</b>	<b>1,300,000</b>	<b>95,562,198</b>	<b>90,449,844</b>	<b>88,349,844</b>
Less - Rate Concession				(20,000)		(20,000)	(20,000)	(20,000)
Less - Back Rates				-		-	-	-
<b>Total General Rates Raised</b>				<b>94,242,198</b>		<b>95,542,198</b>	<b>90,429,844</b>	<b>88,329,844</b>
Rate Equivalent Payments and Adjustments				30,000		30,000	-	30,000
Specified Area Rates Raised				600,212		620,900	599,100	599,100
<b>Total Rates Raised</b>				<b>94,872,410</b>		<b>96,193,098</b>	<b>91,028,944</b>	<b>88,958,944</b>

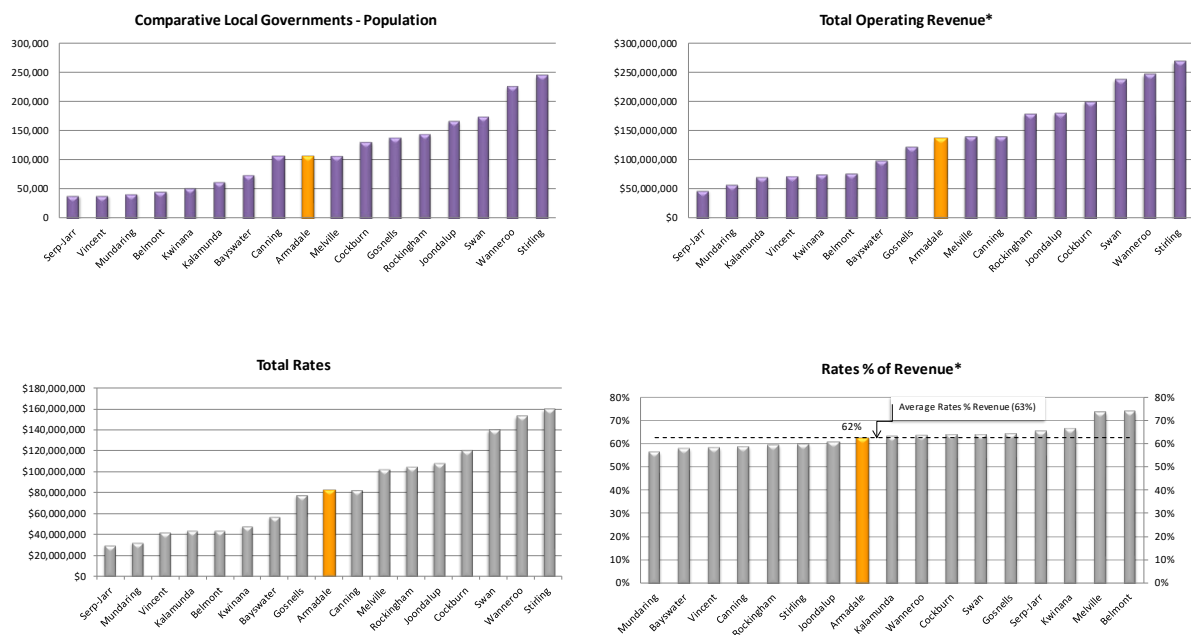
## Review of rates in neighbouring or similar local government districts.

### 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 FY24 financial year.

Rating Effort	FY23			FY24			FY23 to FY24			
	City of Armadale	Average Metro LG's	Difference	City of Armadale	Average Metro LG's	Difference	City of Armadale	Average Metro LG's	Difference	% Change
% of operating revenue	62%	64%	2%	62%	63%	1%	0%	-1%	-1%	-0.3%
Average Residential, Commercial and Vacant Land Rates	\$2,027	\$1,880*	\$147	\$2,091	\$1,983*	\$108	\$64	\$103	-\$39	-0.5%
Average Residential Rates only	\$1,793	\$1,550*	\$253	\$1,909	\$1,657*	\$252	\$116	\$107	\$9	0.1%

- 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 mixture of low to medium urban density.

## Rates Increase FY26

The Council has decided to propose an increase in rates of 3.6% based on the WALGA Local Government Cost Index, projected to 30 June 2025. In determining this position, Council has reviewed the increase in costs over the last few years in comparison to the rates increases applied and has determined the rates increase should match the expected costs escalation. The Dec 24 Local Government Cost Index information as released is shown below.

LGCI Table

Component	Weighting	2022-23 (actual)	2023-24 (actual)	2024-25 (forecast)	2025-26 (forecast)	2026-27 (forecast)
Employee costs	35%	4.2	4.2	3.8	3.5	3.0
Materials and contracts	28%	4.3	3.2	4.0	3.8	3.5
Furniture	1%	5.8	4.7	3.7	3.5	3.2
Non-residential building	5%	1.0	4.6	3.5	3.0	2.3
Machinery and Equipment	5%	11.5	2.0	4.0	2.5	1.4
Non-road infrastructure	9%	3.3	3.2	2.8	2.7	2.6
Road and bridge construction	10%	3.8	2.1	2.8	2.7	2.8
Utilities	3%	2.5	2.5	3.0	3.0	3.0
Insurance	1%	12.4	13.1	8.6	6.0	4.0
Other	3%	6.2	4.6	3.5	3.0	2.8
<b>LGCI</b>	<b>100%</b>	<b>4.4</b>	<b>3.6</b>	<b>3.6</b>	<b>3.3</b>	<b>3.0</b>

## 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 reasons 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 10.1225 cents in the dollar, which is an increase of 3.6% based on the WALGA Local Government Cost Index estimate for FY25. A minimum rate of \$1,460 applies to this category, which is also an increase of 3.6% 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 15.6916 cents in the dollar, an increase of 3.6% based on the WALGA Local Government Cost Index estimate for FY25. A minimum rate of \$1,265 applies to this category, which is an increase of 3.6% 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 10.5632 cents in the dollar, which is an increase of 3.6% based on the WALGA Local Government Cost Index estimate for FY25. A minimum payment of \$1,698 applies to this category, which is also an increase of 3.6%.



## 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 0.5118, which yields a 3.6% (WALGA Local Government Cost Index FY25 increase in rates from UV rated properties. A minimum payment of \$1,748 applies to this category, also an increase of 3.6%.

## **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 \$1,265 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 2025-26 are proposed to increase by 3.6% based on the WALGA Local Government Cost Index estimate for FY25.

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

Further details, including maps of the SAR areas are provided in the City's Annual Budget available in late June.

## 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

- (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 of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.*
- (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.*

**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.*
- (2) *A local government is required to —*
  - (a) *use the money from a specified area rate for the purpose for which the rate is imposed in the financial year in which the rate is imposed; or*
  - (b) *to place it in a reserve account established under section 6.11 for that purpose.*
- (3) *Where money has been placed in a reserve account under subsection (2)(b), the local government is not to:*
  - (a) *change the purpose of the reserve account; or*
  - (b) *use the money in the reserve account for a purpose other than the service for which the specified area rate was imposed,**and section 6.11(2), (3) and (4) do not apply to such a reserve account.*
- (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.*

- (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.*