SHIRE OF CHAPMAN VALLEY

2026/2027
OBJECTS OF AND REASONS FOR DIFFERENTIAL RATING

Public Consultation Document
Prepared pursuant to Sections 6.33 and 6.36 of the Local Government Act 1995

SHIRE OF
Chapman Valley
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Executive Summary

This document is provided for public consultation and sets out the objects of and reasons for the Shire of Chapman Valley's proposed differential rates and minimum payments for the 2026/2027 financial year. Prepared in accordance with sections 6.33, 6.34, 6.35 and 6.36 of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996, it is intended to assist electors and ratepayers to understand the proposed rating categories, the basis on which they have been formed, and why the Shire considers the proposed rate in the dollar and minimum payment for each category to be fair, transparent and consistent with the legislation, with particular focus on the UV Oakajee Industrial Estate differential rating category.

Why Council Levies Rates

The proposed rates for 2026/2027 are intended to meet the Shire's net funding requirement after taking into account all other sources of revenue, including fees and charges, grants, contributions and other income. In preparing its annual budget, the Shire identifies its budget deficiency in accordance with section 6.34 of the Local Government Act 1995 and determines the rate yield required from general rates to address that shortfall. The proposed differential rates and minimum payments are designed to raise that yield in a manner that is fair, transparent, financially sustainable and aligned with the Shire's Strategic Community Plan, Corporate Business Plan and Long-Term Financial Plan.

Under sections 6.33, 6.35 and 6.36 of the Local Government Act 1995, a local government may impose differential general rates and minimum payments and must publish the objects of and reasons for each proposal. The land addressed in this statement is proposed to be rated on an Unimproved Value basis. Unimproved values are provided by the Valuer-General under the Valuation of Land Act 1978 and generally apply to land used predominantly for rural purposes. The proposed rates in the dollar have been calculated using the current valuation data available to the Shire and are intended to achieve the advertised rate yield for each category. If final valuations change before adoption of the annual budget, the rate in the dollar may be adjusted to preserve the intended rate yield. On the proposed rates set out in this document, the highest rate in the dollar is not more than twice the lowest proposed rate in the dollar; however, this must be confirmed against the final adopted rates before the budget is adopted.

Local government rates are levied to fund community services, facilities, infrastructure and regulatory functions and remain the Shire's primary source of discretionary revenue. Rates are calculated by applying a rate in the dollar to property valuations independently determined by the Valuer-General under the Valuation of Land Act 1978.

Land used predominantly for rural purposes is generally rated on an Unimproved Value (UV) basis, while land used predominantly for non-rural purposes is usually rated on a Gross Rental Value (GRV) basis. The Shire uses these valuations to determine rates payable for each property, with the total rate yield influenced by both valuation movements and the rate in the dollar adopted by Council through the annual budget process.

Section 6.33 of the Local Government Act 1995 allows a local government to impose differential general rates based on land characteristics such as zoning, land use, vacancy or other prescribed factors. The Shire applies differential rating to its UV rating base to recognise distinct land use and planning characteristics and to distribute the rate burden across the district in a fair and equitable manner.

Proposed Differential Rating Categories

Category	Land Type	Rate in $	Minimum
UV Rural	Rural Land	0.5216	$1,000
UV Oakajee Industrial Estate	Oakajee Industrial Estate & Buffer	0.9887	$1,000

Council Rating Principles

In setting its rating structure, Council is guided by the key values outlined in the DLGSC Rating Policy – Differential Rates.

Objectivity, fairness and equity: Differential rating categories are based on clear and identifiable land characteristics, including zoning and land use, so that land within each category is treated consistently. The proposed rates and minimum payments are intended to ensure each category of ratepayer makes a reasonable contribution to the cost of local government, having regard to the nature of the land, the services and infrastructure provided, and the need to distribute the rate burden equitably across the district.

Transparency, accountability and administrative efficiency: This statement sets out the basis of each proposed category, the proposed rate in the dollar and minimum payment, and the reasons Council considers the proposals appropriate. Public notice will be given in accordance with section 6.36 of the Local Government Act 1995, and submissions received during the advertising period will be considered before adoption of the annual budget. The rating model is also intended to be readily understood and administratively workable, supporting efficient rate administration.

Financial sustainability and consistency: The proposed differential rates have been developed with regard to the Shire's budget planning, strategic priorities and long-term financial settings. They are intended to support the Shire's ongoing capacity to maintain assets, deliver essential services, and meet governance and community obligations, while remaining consistent with the Strategic Community Plan, Corporate Business Plan and Long-Term Financial Plan.

Legislative compliance: The proposed differential rating model has been prepared in accordance with the Local Government Act 1995 and relevant State rating policy. The categories have been defined in a manner intended to be readily identifiable and administratively workable, thereby supporting efficient rate administration and reducing ambiguity for ratepayers and the Shire.

UV Oakajee Industrial Estate

This category applies to land within the Oakajee Industrial Estate and Buffer area, as identified in the Shire's planning framework for strategic industry and associated buffer, and rated on an Unimproved Value basis. The object of the category is to ensure that land within the Oakajee precinct makes a reasonable and equitable contribution to the cost of local government, recognising its distinct planning and development context, strategic significance, and the historical and ongoing implications of State acquisition and development activity in the area.

A higher differential rate than the general UV Rural category is proposed to reflect the precinct's distinct strategic industrial character, to maintain the Shire's long-standing approach of ensuring the local community is not financially disadvantaged by State land acquisition and development activity in the Oakajee project area, and to support an equitable distribution of the rate burden across the district. The proposed minimum payment of $1,000 is intended to ensure that each property within the category makes at least a base contribution towards the fixed and shared costs of local government, including governance, road infrastructure, asset management, statutory compliance and community services, regardless of individual valuation.

For 2026/2027, the proposed rate in the dollar for the UV Oakajee Industrial Estate category is 0.9887, with a proposed minimum payment of $1,000. The rate in the dollar has been set at a level the Shire considers appropriate having regard to the characteristics and strategic role of the precinct and the need to avoid shifting a disproportionate rate burden onto other rural properties. The proposed differential is within the two-times limit set by section 6.33(3) of the Local Government Act 1995 and, on that basis, Ministerial approval is not expected to be required, subject to confirmation against the final adopted rates before the annual budget is adopted.

UV Rural General Rate

This category applies to all land within the Shire that is assessed on an Unimproved Value basis and is not included in another differential category. It generally comprises land used predominantly for rural purposes. The object of the category is to provide a fair and equitable basis for raising revenue from the Shire's general rural land base to support the cost of local roads, infrastructure, governance, community facilities and services across the district.

The category recognises that rural properties make up the predominant land use across the district and benefit from a broad range of Shire services and infrastructure, including local roads, drainage, community facilities, ranger services, environmental health, planning and building services, and governance functions. The proposed differential rate is intended to ensure rural landowners make a reasonable contribution to the Shire's overall rate yield, while recognising the broad distribution of rural land and maintaining an equitable distribution of the rate burden across the district.

For 2026/2027, the proposed rate in the dollar for the UV Rural category is 0.5216, with a proposed minimum payment of $1,000. The proposed minimum payment is intended to ensure that each property within the category makes at least a base contribution towards the fixed and shared costs of local government. The rate and minimum payment are considered to provide a reasonable and sustainable contribution from the general rural land base, while remaining aligned with the Shire's Strategic Community Plan, Corporate Business Plan and Long-Term Financial Plan.

Strategic Alignment

The proposed differential rates support the Shire's Strategic Community Plan, Corporate Business Plan and Long-Term Financial Plan by providing a sustainable and equitable source of revenue to fund essential services, maintain infrastructure and assets, meet governance and compliance obligations, and deliver community outcomes over the short, medium and long term.

Public Consultation

In accordance with section 6.36 of the Local Government Act 1995 and the DLGSC Rating Policy – Giving Notice, the Shire will give public notice of its intention to impose the proposed differential rates and minimum payments for the 2026/2027 financial year. The notice will specify the proposed rates in the dollar, minimum payments, and the time and manner in which written submissions may be made.

The proposals will be advertised for a period of at least 21 days after publication of the notice. During that period, this statement of objects and reasons will be available for inspection at the Shire’s administration office and on the Shire’s official website to assist electors and ratepayers to understand the proposed rating structure and make informed submissions. All submissions received within the advertised period will be presented to Council for consideration before adoption of the 2026/2027 Annual Budget.

Public Notice

Shire of Chapman Valley
Notice of Intention to Impose Differential Rates
2026/2027 Financial Year

In accordance with sections 6.33 and 6.36 of the Local Government Act 1995, the Shire of Chapman Valley hereby gives notice of its intention to impose the following differential rates on rateable land within the district for the 2026/2027 financial year.

Category	Land Type	Rate in the Dollar	Minimum Payment
UV Rural	Rural Land	0.5216	$1,000
UV Oakajee Industrial Estate	Oakajee Industrial Estate & Buffer	0.9887	$1,000

The proposed differential rates are based on an Unimproved Value basis. A statement of the objects of and reasons for the proposed differential rates and minimum payments is available for inspection at the Shire of Chapman Valley Administration Office during normal business hours and on the Shire's official website.

Submissions from electors and ratepayers in relation to the proposed differential rates and minimum payments are invited in writing and must be received by the Chief Executive Officer no later than 4.00 pm on Monday, 13 July 2026. Submissions may be delivered to the Shire Administration Office, posted to PO Box 1, Nabawa WA 6532, or emailed to cso@chapmanvalley.wa.gov.au.

This notice is published on 19 June 2026. All submissions received within the advertised period will be presented to Council for consideration before adoption of the 2026/2027 Annual Budget.

Jamie Criddle
Chief Executive Officer
Shire of Chapman Valley