Objects and Reasons

2026-27

Alignment to the

Strategic Community Plan 2025-35

One community, standing together with nature

Caring for our natural environment

E1	Natural landscapes are protected and managed to preserve and restore their biodiversity and cultural values.
E2	New development is concentrated within clearly defined areas to avoid impacts on remaining farmland and ecosystems.
E3	Waste is minimised with a focus on keeping resources in circulation.
E4	The Shire and community are committed to climate action, reducing carbon emissions and achieving net zero.
E5	Industry, government, community and visitors understand, respect, and steward the environment.
E6	Water resources are protected and well-managed to ensure ecosystems flourish in the region.
E7	Strong community partnerships support environmental initiatives and projects.

Managing our built environment

B1	Townsites develop in a manner that retains their unique identity and encourages community connection, safety and vibrancy.
B2	Active lifestyles are supported through a range of facilities, sports and recreation opportunities and public open space.
B3	Community halls, libraries and other facilities continue to evolve to meet our community's needs.
B4	A well-connected network of paths, cycle trails, roads and transport options allows safe movement through and between townsites.
B5	Residents and seasonal workers have access to a diverse range of housing options that meet their needs and budgets.
B6	Our built environment is functional, sustainable, accessible, safe, and sympathetic to the surrounds.

Looking after our growing community

C1	Our healthcare, childcare, aged care and education services are well-resourced and responsive to the needs of a growing and ageing population.
C2	Young people feel valued, empowered and engaged, and have good opportunities for building a future here.
C3	Our community's wellbeing is supported by a variety of services, programs and community groups that build strength and connection.
C4	Farmers and local businesses feel valued and can thrive in a supportive economic and regulatory environment that acknowledges our responsibilities to future generations.
C5	We are welcoming and inclusive to all, regardless of background and ability, and our multicultural community is enriched by Wadandi Pibelmen culture and knowledge.
C6	The health, safety and resilience of our communities is supported through a coordinated approach of risk management, response and recovery.
C7	Our vibrant arts and events showcase and celebrate our unique identity, bring public spaces to life, and create meaningful experiences for all.

How we work

W1	We act with a community-first mindset, where customer service is the responsibility of all staff.
W2	Our communication reflects integrity, care, and a commitment to building enduring relationships with our community.
W3	We actively listen, engage and collaborate with our whole community to better understand all perspectives to inform our decision-making.
W4	We demonstrate ethical leadership at all levels in our organisation, making decisions in an open, transparent and accountable way.
W5	We embrace a courageous mindset to meet the unique challenges of our times, pursuing bold and creative ideas for a sustainable future.
W6	We manage our finances responsibly, investing in services and assets that deliver sustainable, long-term value for now and the future.
W7	We provide a supportive, empowering and safe environment that encourages Council and staff to deliver to their best potential.
W8	We ensure our processes, systems and services are fit-for-purpose and evolve to meet the diverse needs of all who use them.

The Shire of Augusta Margaret River acknowledges we are on Wadandi and Pibelmen Boodja, whose ancestors and their descendants are the Cultural Custodians of this Country. We acknowledge the Wadandi and Pibelmen have been Custodians since the land was soft (creation times) and continue to perform age old ceremonies of celebration, initiation and renewal. We acknowledge their living culture and their unique role in the life of this region. The Shire is committed to Aboriginal Australians sharing fairly and equitably in the region's cultural, social, environmental and economic future.

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Objects and Reasons 2026-27

1. Introduction

The Shire of Augusta Margaret River (Shire) provides services and facilities to the community and visitors to the region. Rate revenue is a primary source of revenue for the Shire, and rates are imposed on properties within its district to enable the Shire to provide facilities, community buildings, recreational areas including parks and foreshores, and to ensure that efficient administrative services are provided to our entire community and its many visitors.

The amount of rates payable by a ratepayer is determined by four factors:

1. The method of valuation applicable to their property, being either Gross Rental Value (GRV) or Unimproved Value (UV);
2. The amount of the valuation;
3. The differential rating category of the property; and
4. The rate in the dollar or minimum payment of that differential rating category.

Valuations are provided by the Valuer General in accordance with the *Valuation of Land Act* 1978. Council sets the rate in the dollar in its annual budget, which is applied to a valuation to determine the rates applicable to the property.

The Shire applies differential rating under its Rating Policy in conjunction with the Shire's Local Planning Scheme and includes the following differential rating categories:

Gross Rental Valuation Properties	Unimproved Valuation Properties
Residential	UV Rural
Residential Vacant	UV 1 (1 non-rural use = UV rural x 125%)
Commercial, industrial, tourism	UV 2 (2 non-rural use = UV rural x 150%)
Hosted STRA[1]	UV 3 (>2 non-rural use = UV rural x 175%)
	UV Conservation

[1] Proposed new differential rating category for 2026-27

When determining the annual differential rates in the dollar and minimum payments, the following factors are considered:

- Growth of rateable properties
- Landgate Unimproved Value (UV) and Gross Rental Value (GRV) revaluations;
- Long Term Financial Plan (LTFP) which identifies the forecast deficiency between revenue and expenditure to be funded from rates;
- 2026-27 Draft Budget;
- Shire's Sustainable Financial Management Policy; and
- Compliance with the provisions of the *Local Government Act 1995*.

It is intended that for the 2026-27 financial year the rate revenue yield will increase by an average 5.6% increase in rates revenue above that which would be derived based purely on property growth, and in addition to increased rate revenue derived as a result of the introduction of a new differential rating category for hosted STRA.

Each differential rating category has a minimum payment that is applied to ensure those properties not subject to a rate in dollar calculation make a fair and equitable contribution to the Shire's rate revenue.

A minimum payment is levied in instances where the applicable rate in dollar multiplied by the property's valuation is equal to or less than the minimum payment amount.

It is intended that for the 2026-27 financial year there will be an increase of 5.6% to the minimum payment value for each differential rate category.

The rates in the dollar for each rating category have been adjusted to achieve the overall target of 5.6% rates revenue growth over and above property growth-related rates revenue growth, whilst also maintaining the split of rates yield between GRV and UV properties.

Whilst the overall rate yield increase has been set at 5.6%, due to the Landgate revaluation (which alter individual UV property values in relation to other properties) this rate increase will not equate to 5.6% for some individual properties.

Ratepayers highly affected will be those who operate a hosted STRA. These properties are proposed to be assigned a new rating category – Hosted STRA – for which the rate in the dollar and minimum payment are approximately midway between those for the Residential and Commercial, Industrial, Tourism rating categories.

2. Proposed Rate in Dollar and Minimum Payment values

It is proposed for the 2026-27 financial year that the following rate in the dollar and minimum payment for each differential rating category will apply:

Differential Rating Category	Proposed Rate in $ 2026-27[1]	Actual Rate in $ 2025-26	Proposed Minimum Payment 2026-27[1]	Actual Minimum Payment 2025-26
Gross Rental Valuation properties				
Residential	$0.086274	$0.081699	$1,723	$1,632
Residential vacant	$0.172538	$0.163397	$1,304	$1,235
Commercial, industrial, tourism	$0.128959	$0.122120	$1,853	$1,755
Hosted STRA	$0.107617	N/A	$1,788	N/A
Unimproved Valuation properties				
UV rural	$0.003435	$0.003593	$1,935	$1,746
UV 1	$0.004293	$0.004491	$2,417	$2,182
UV 2	$0.005152	$0.005390	$2,901	$2,619
UV 3	$0.006011	$0.006288	$3,384	$3,055
UV Conservation	$0.003491	$0.003637	$1,862	$1,681

[1] When adopting the 2026-27 Annual Budget, Council may vary the proposed rate in dollar and minimum payment amounts

3. Rate Yield Objectives and Factors

In setting the rate in the dollar and minimum payment for each differential rating category, Council has taken into consideration the following factors:

3.1 Growth of rateable properties

The number of rateable properties has increased during the 2025-26 financial year as a result of land developments released and subdivisions of land by individual landowners across the Shire.

Based on advice received from Landgate, a total of 127 new rateable properties were created for the period to 30 April 2026. A comparison of changes to the Shire's property base over the current year and the previous seven financial years is shown in the table below.

Year	No. of properties	Property increase #	Property increase %
2025-26	11,323	127	1.1%
2024-25	11,196	308	2.8%
2023-24	10,888	354	3.4%
2022-23	10,534	317	3.1%
2021-22	10,217	147	1.4%
2020-21	10,070	160	1.6%
2019-20	9,910	130	1.3%

It should be noted that, based on information provided by the Shire's internal Planning team, property growth in 2025-26 is likely higher than currently reflected above. Throughout the year, the Shire has experienced a significant delay in receiving updated property data from Landgate.

As at 30 April 2026, the Shire is aware of at least 239 developed lots that are yet to receive Landgate valuations and therefore have not been recognised (or rated) in the Shire's rating system.

Once these valuations are received, the total number of rateable properties for the year is expected to increase accordingly.

3.2 Landgate UV Revaluation

The Valuation of Land Act 1978 (VLA) empowers the Valuer General (VG) to conduct general valuations on a GRV basis within Western Australia at such times and frequency as is considered necessary (currently every 3 years) and for UV properties annually. Values are determined relative to sales and rentals at 1 August of the preceding year.

Landgate undertook a review of UV valuations as at 1 August 2025 with new values being effective from 1 July 2026.

The 2025-26 revaluation of properties valued on a UV basis resulted in an overall average increase of 10.80%. This compares with the previous year when values increased by 8.78%.

Landgate have advised that an analysis of sales at or around the date of valuation support an increase in Unimproved Values for broadacre agricultural properties and rural lifestyle holdings. Movement on rural lifestyle holdings is varied dependent on the specific subdivision but is generally in line with increased values on larger properties.

To achieve the target increase in rate yield whilst ensuring that rural properties are not burdened by an unequitable proportion of the rate increase on account of their revaluation, the rural rate in the dollar has been decreased. The UV tiered rating scale differentials of 25%, 50% and 75%, have been applied against the rural rate to obtain the proposed rates for 2026-27.

3.3 Long Term Financial Plan

The endorsed 2026–2041 Long Term Financial Plan (LTFP) was prepared on the basis that rate increases would be set at 1% above the Consumer Price Index (CPI), with CPI assumed to broadly track movements in the Local Government Cost Index (LGCI). The LGCI is intended to approximate the basket of cost increases faced by local governments across Western Australia, noting that it does not fully capture localised factors such as regional cost pressures, distance from metropolitan centres, and contractor availability.

The most recent CPI data released by the Australian Bureau of Statistics indicates a year-on-year inflation rate of 4.6% to March 2026.

In addition to general inflationary pressures, recent volatility in fuel prices has had a disproportionate impact on local government operating costs, with this impact expected to continue over the coming financial year.

Fuel costs directly affect the Shire’s expenditure on fleet operations, waste collection, plant hire and contractor rates, and also have indirect flow-on effects across materials, freight, construction inputs and utilities. These impacts are typically amplified in regional areas due to transport distances and reduced supplier competition.

The LTFP did not take into account the impact of elevated fuel and energy costs that will continue to flow through supply chains over the short to medium term, placing upward pressure on service delivery and capital program costs beyond headline CPI movements.

3.4 2026-27 Draft Budget

The preparation of the 2026–27 Draft Budget is based on the rate yield increasing by 5.6% plus property growth and additional rate revenue from hosted STRA being assigned a new differential rating category, Hosted STRA. While this provides some capacity to support rising costs, it continues to place pressure on the Shire’s ability to balance increasing expenditure demands with available funding sources.

A key driver of cost escalation in 2026-27 is expected to be ongoing volatility in fuel prices, which has a direct and indirect impact on the Shire’s operations. Fuel costs affect fleet operations, waste collection, plant and equipment usage, and contract pricing, and also flow through to material, freight, construction and utility costs.

To manage fuel-related cost pressures during the year, the Shire will continue to apply a range of mitigation strategies, including close monitoring of fuel usage, optimising fleet and plant utilisation, and actively managing contracts to minimise unplanned cost escalation where possible. Where fuel-driven increases cannot be absorbed within existing budgets, they will be addressed through reprioritisation of non-essential expenditure and deferral of capital renewal projects.

These measures are intended to contain financial risk while maintaining service delivery outcomes within the constraints of the adopted rate yield.

3.5 Affordability and Services

Council are extremely conscious of the impact rate increases can have upon the community, particularly in light of the upwards pressure on inflation – particularly inflation in fuel and food prices – exceeding the rate of wage growth, eroding households' disposable income. At the same time, it is necessary for the Shire to continue offering the services, facilities and infrastructure required for the community to thrive.

For this reason, the rate yield increase has been set at a level that supports financial sustainability of the Shire after taking measures to incorporate increased efficiency into its budgetary process so as to not unnecessarily burden ratepayers.

3.6 Sustainable Financial Management Policy

Council's Sustainable Financial Management Policy states that the Shire applies a differential rating system determined predominantly by the zoning of the property under the Shire's Local Planning Scheme, and that when setting rates, the following guiding principles will be followed:

- Objectivity
- Equity and fairness
- Consistency
- Transparency
- Administrative efficiency

3.7 Local Government Act Compliance

In setting the differential rate in the dollar and minimum payment, the Shire must adhere to the requirements of the Local Government Act and in particular sections 6.33 and 6.35.

Section 6.33 states that the Shire can't apply a rate in the dollar that is more than twice the lowest rate in the dollar for any differential rating category.

Section 6.35 states that the Shire can't apply a minimum payment to more than 50% of the total number of properties for an individual differential rating category.

4. Objects and Reasons for Differential Rates

The overall object of the Shire's differential rates is to raise rates revenue in a manner that is simple, efficient and equitable to all ratepayers within the district. The reasons for each differential rating category are outlined below:

4.1 Gross Rental Valuation

Residential	
Characteristics	Properties zoned Residential under the Local Planning Scheme No. 1 and Local Planning Scheme No. 2 and which are not rated as Residential Vacant or Commercial, Industrial, Tourism.
Objects	To apply a differential rate and minimum payment to properties zoned and used for residential purposes, and to provide the base rate of calculation for the other GRV differential rates in the dollar and minimum payments.
Reasons	To ensure that all ratepayers in this category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the Shire.

Residential vacant	
Characteristics	Properties zoned Residential under the Local Planning Scheme No. 1 and Local Planning Scheme No. 2 that are not improved by a completed habitable dwelling (including land with incomplete buildings where no Notice of Completion has been issued). .
Objects	To apply a differential rate and minimum payment to undeveloped properties held for residential purposes, and to encourage landowners to develop residential land.
Reasons	The Shire considered the development of all vacant rateable land to be in the best interest of the community as it will improve the aesthetics of the area and provide housing stock.

Commercial, industrial, tourism	
Characteristics	Properties zoned: • Commercial, Industrial or Tourism under the Local Planning Scheme No. 1 • Commercial under the Local Planning Scheme No. 2 • Other Zones (Light Industry, Industrial Development, or Tourism) under Local Planning Scheme No. 2 • Properties that have Shire planning approval to operate as short-term rental accommodation.
Objects	To apply a differential rate and minimum payment to commercial, industrial and tourism zoned properties, and properties used as unhosted short-term rental accommodation, in order to raise additional revenue to fund the level of service to these properties.
Reasons	To ensure that a reasonable contribution is made towards the higher costs of services and facilities associated with the

	properties such as carparking, landscaping, street cleaning and provision of amenities.

Hosted STRA	
Characteristics	Properties zoned Residential where: • a purpose for which the land is held or used is to offer short-term rental accommodation; • the property has an active registration on the WA Government Short-Term Rental Accommodation Register portal as at 1 July; and • the property doesn't have Shire planning approval to operate as short-term rental accommodation.
Objects	To apply a differential rate and minimum payment properties used as hosted short-term rental accommodation, in order to raise additional revenue to fund the level of service to these properties.
Reasons	To ensure that a reasonable contribution is made towards the higher costs of services and facilities associated with the properties such as carparking, landscaping, street cleaning and provision of amenities, whilst recognising that these costs are often lower than those associated with commercial, industrial, or tourism properties.

4.2 Unimproved Valuation Properties

The Shire applies a tiered rating approach resulting in properties with non-rural uses paying a higher rate in the dollar depending on the number of approved non-rural uses. The reason being is that non-rural uses have an impact on the need for essential services, facilities and infrastructure for the entire community and visitors.

The scale of non-rural uses provides some equity between properties with Commercial, Industrial and Tourism activities in the rural zones of Priority Agriculture, General Agriculture and Cluster Farm (Local Planning Scheme No. 1) and Priority Agriculture (Local Planning Scheme No. 2).

UV rural	
Characteristics	Properties zoned: • Rural under the Local Planning Scheme No. 1 • Other Zones (Priority Agriculture, Environmental Conservation or Special Use Zone) under the Local Planning Scheme No. 2 which are not rated under another UV differential rating category.
Objects	To apply a differential rate and minimum payment to properties

	with rural zoning and use, and to provide the base for the other UV differential rating categories.
Reasons	The other UV categories are considered to have higher demand on Shire services and resources.

UV 1	
Characteristics	Properties zoned: • Rural under the Local Planning Scheme No. 1; or • Other Zones (Priority Agriculture, Environmental Conservation or Special Use Zone) under the Local Planning Scheme No. 2 where a valid planning approval is in force for one non-rural use (other than residential use or ancillary residential use).
Objects	To apply a differential rate and minimum payment set at 125% of the base UV general rate to recognise the additional non-rural use.
Reasons	The provision of non-rural uses in rural areas results in additional costs

UV 2	
Characteristics	Properties zoned: • Rural under the Local Planning Scheme No. 1; or • Other Zones (Priority Agriculture, Environmental Conservation or Special Use Zone) under the Local Planning Scheme No. 2 where a valid planning approval is in force for two non-rural uses (other than residential use or ancillary residential use).
Objects	To apply a differential rate and minimum payment set at 150% of the base UV general rate to recognise the two additional non-rural uses.
Reasons	The provision of non-rural uses in rural areas results in additional costs.

UV 3	
Characteristics	Properties zoned: • Rural under the Local Planning Scheme No. 1; or • Other Zones (Priority Agriculture, Environmental Conservation or Special Use Zone) under the Local Planning Scheme No. 2 where a valid planning approval is in force for more than two non-rural uses (other than residential use or ancillary residential use).
Objects	To apply a differential rate and minimum payment set at 175% of the base UV rural rate to recognise the three or more additional non-rural uses.

Reasons	The provision of non-rural uses in rural areas results in additional costs.

UV Conservation	
Characteristics	Properties zoned: • Conservation in the Local Planning Scheme No. 1 • Environmental Conservation in the Local Planning Scheme No. 2 where no valid planning approval is in force (other than residential use or ancillary residential use).
Objects	To apply a differential rate and minimum payment to properties with the above zoning.
Reasons	A lower differential rate and minimum payment recognises that limited development is allowable on such land in order to maintain significant conservation and/or landscape values.

It should be noted that the differential rating category assigned to a property will apply for the full financial year, unless changes are permitted under the *Local Government Act 1995*.