

Objects and Reasons **For Differential Rates** 2025–26



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Acknowledgement of Country

The Mayor, Councillors and staff of the City of Cockburn acknowledge the Whadjuk Nyungar people of Beeliam boodja as the traditional custodians of this land. We pay our respect to the Elders, past and present.

Introduction

The City prepares a budget each year which must be adopted by Council. The budget aims to fund the City to deliver essential services and key infrastructure for the community while ensuring that rates provide good value for money.

It is a requirement of the Local Government Act that the City must advertise its differential rates in a document called 'Objects and Reasons'. This document explains what the proposed differential rates are, why different properties are charged different rates and what the proposed rate in the dollar is next year. In this document we also explain how rates are calculated and have provided an overview of the proposed capital works expenditure and key infrastructure projects for 2025-26.

What are the reasons for the 2025-26 differential rates?

To support the delivery of its 2025-26 Operational and Capital Budget, the City must generate sufficient revenue, including \$140.80 million to be raised through rates. This funding pays for infrastructure and services like roads, parks, streetscapes, libraries, recreation and aquatic centres, youth and seniors centres, and community events to name a few.

In preparing the differential rates and minimum payments for 2025-26, the City has used the following rates modelling assumptions to ensure we can deliver these important services and projects to our community:

- Residential Improved properties – 3.5 per cent increase in the rate-in-the-dollar and minimum payment
- Vacant land – 4.5 per cent increase in the rate-in-the-dollar and minimum payment
- Rural General Improved rated properties – 4.5 per cent increase in the rate-in-the-dollar and minimum payment
- Commercial and Industrial properties (including caravan parks) – 4.5 per cent increase in the rate-in-the-dollar and minimum payment.

Rates and minimum payments for 2025-26

The table below shows the rates in the dollar and minimum payment amounts proposed for each rate category in 2025-26.

Rate Category Proposed for 2025-26	Rate in \$	Min payment \$
Differential rates		
Residential Improved (GRV)	0.08387	1,591
Vacant Land (GRV)	0.10408	852
Commercial and Industrial Improved (GRV)	0.09646	951
Commercial Caravan Park (GRV)	0.09158	951
Rural General Improved (UV)	0.00281	1,147
Rural Vacant Land (UV)	0.00421	1,147

Key projects and services for 2025-26

- Cockburn Coast Oval land purchase \$11.4m
- Beale Park Redevelopment \$8.14m (Total cost of \$13.31m with balance in FY27 budget)
- Enhancement of our natural areas, parks and playgrounds \$7.34m
- Road safety improvements \$6.1m
- Building improvements in our parks, reserves, sporting grounds and facilities \$4.6m
- Upgrade Manning Park playground \$2.29m.
- Improvements and environmental management of the Cockburn Resource Recovery Park \$463,000

Key services being delivered every year to ratepayers and the community include:

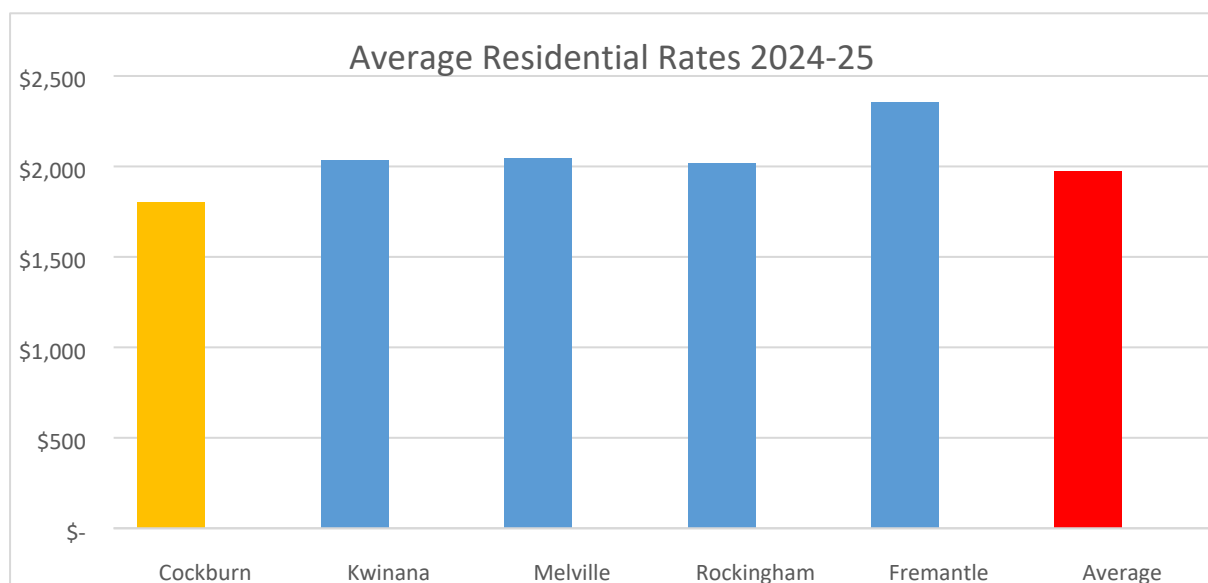
- Waste collection – three bin services, four verge collections and six trailer passes

- Libraries, Seniors Centre, Youth Centre, Family Support Services, Cockburn Care, Cockburn ARC, Volunteer Resource Centre, Family Day Care
- Parks, sportsgrounds, recreation facilities, streetscapes, trees
- Roads, footpaths and drainage infrastructure
- Co-Safe – providing a mobile safety and security patrol service to the community 24 hours a day, seven days a week
- Free concerts and events for our community.

Cockburn Community Grants provide funding and donations to local clubs, individuals, incorporated community groups, and not-for-profit organisations to support projects, programs, or activities that benefit the Cockburn community.

How do we compare with neighbouring Councils?

The graph below compares the rates charged by Cockburn to our neighbouring councils in the 2024-25 financial year. Data is sourced from the councils' annual budgets and includes rates for all residential improved properties (as well as waste collection and other service charges, if levied separately). The graph also factors in Cockburn's improved residential concession.



What is the objective for rates in 2025-26?

In accordance with Sections 6.33 and 6.36 of the *Local Government Act 1995* the City is required to publish its Objects and Reasons for implementing differential general rates.

The objective of the proposed rates and charges in the 2025-26 budget is to provide for the net funding shortfall of \$140.80m in Council's Operational and Capital Program for 2025-26.

Understanding the pressure rising costs is putting on households, the City is extending its policy of waiving interest and administrative fees for installment payments, Smart Rates, and other approved payment options. This aims to ease the burden on our community by making it easier to manage rate payments over an extended period.

Who undertakes the GRV and UV valuations?

The Valuer General of WA (Landgate) conducted a GRV (Gross Rental Value) revaluation of properties within the City effective for three years commencing 1 July 2023.

The City does not have any role in determining the valuation of any property or the ability to appeal any valuation provided by the Valuer General. However, any property owner who does not agree with the GRV change may lodge an objection directly with Landgate.

Why are there different rates for different properties?

Different properties in Cockburn are charged different rates, hence the term 'differential rates'.

Improved and vacant properties under the residential, commercial and industrial rating categories are charged differently. An improved property is one where improvements have been added, such as a house or a manufacturing plant for example. The difference is to ensure that fair income is obtained from vacant land in residential areas, and there is an incentive to develop the land instead of land banking for future sale and development.

As commercial and industrial sectors generate higher traffic volumes with heavier loads than the residential sector, they contribute at a higher level for road construction, maintenance and refurbishment. Road infrastructure is a large cost driver for the City.

The City sets a much lower rate in the dollar for rural and urban farmland areas which are rated based on UV valuations.

Under the *Local Government Act, Section 6.33 - Differential General Rates*, the Council can introduce differential rates as follows:

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 under a local planning scheme in force under the planning and Development Act 2005*

- (b) *The predominant purpose for which the land is held or used as determined by the local government*
- (c) *Whether or not the land is vacant land; or*
- (d) *Any other characteristic or combination of characteristics prescribed.*

How are rates calculated?

The council sets its own rate in the dollar every year for each rate category, and the independent State government authority, the Valuer General of WA sets the Gross Rental Value (GRV) every three years and Unimproved Value (UV) annually. The GRV is a property's estimated yearly rental income. The UV is a property's estimated land value (no improvements) and is mainly used for rural land uses. Your property's GRV or UV is stated on your annual rates notice.

To calculate your annual rates, multiply either your GRV or UV, depending on your property, and subtract any rate concessions you may receive if eligible.

Rates (\$) = GRV OR UV X Rate Category – any rate concessions

Proposed rates and minimum payments for 2025-26

The table below shows the rate in the dollar proposed by Council and the minimum payment required for each rate category in 2025-26.

Rate Category Proposed for 2025-26	Rate in \$	Min payment \$
Differential rates		
Residential Improved (GRV)	0.08387	1,591
Vacant Land (GRV)	0.10408	852
Commercial & Industrial Improved (GRV)	0.09646	951
Commercial Caravan Park (GRV)	0.09158	951
Rural General Improved (UV)	0.00281	1,147
Rural Vacant Land (UV)	0.00421	1,147

What are the differential rate categories?

Residential Improved (GRV)

This rate category imposes a differential general rate on land valued on a GRV basis, which is zoned under the Town Planning Scheme No.3 for residential purposes and having improvements erected on it.

The objective of this proposed rate is to apply a base differential general rate to land zoned and used for residential purposes and to act as the City's benchmark differential rate by which all other GRV rated properties are assessed.

This rate ensures that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout Cockburn. It is lower than the vacant land differential rate as the City is encouraging landowners to develop land rather than land banking.

The proposed rate in the dollar of GRV value for this category is \$0.08387 with a minimum payment amount of \$1,591. These parameters will apply to 49,485 or 89.72 per cent of the City's rateable properties.

Single improved residential properties whose GRV is greater than \$24,671 will also be eligible for a high GRV rates concession. The concession amount is calculated by using a rate in the dollar of \$0.02774 and applying it to that portion of GRV over the \$24,671 threshold.

This concession limits year on year rates increases for high GRV single improved residential dwellings. The concession was introduced due to the previous incorporation of fixed waste and security service charges into the general rates charge. The concession parameters have been adjusted this year to factor for the large GRV revaluation increase across residential improved properties.

Vacant Land (GRV)

This rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned under the Town Planning Scheme No.3 for the purpose of residential, commercial or industrial purposes and being vacant land.

The objective of this rate is to promote the development of vacant land within Cockburn. Vacant land has a higher differential general rate which provides a disincentive to owners for land banking and not developing their vacant land.

The proposed rate in the dollar of GRV value for this category is \$0.10408 with a minimum payment amount of \$852.

These parameters will apply to 2,484 or 4.50 per cent of the City's rateable properties.

Commercial and Industrial Improved (GRV)

This rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned under the Town Planning Scheme No.3 for non-residential, commercial or industrial purposes and having improvements erected on it.

The objective of this differential rate category is to raise sufficient revenue to offset the costs associated with increased maintenance of infrastructure, particularly transport related infrastructure, and higher levels of services associated with properties in this category.

The proposed rate in the dollar of GRV value for this category is \$0.09646 with a minimum payment amount of \$951.

This will apply to 3,080 or 5.58 per cent of the City's rateable properties.

Commercial Caravan Park (GRV)

This rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned under the Town Planning Scheme No.3 for the purpose of a commercial caravan park and catering for permanent trailer homes and non-permanent caravans.

The objective of this rate is to ensure that the City's caravan parks, predominantly permanent trailer homes, make an equitable contribution to the City's services and facilities like any other residential land owner. It is also to maintain rating equity with other small unit dwellings in the City.

The proposed rate in the dollar of GRV value for this category is \$0.09158 with a minimum payment amount of \$951. This will apply to only two of the City's rateable properties and no property will be on the minimum payment amount.

Rural General Improved (UV)

This rate category imposes a differential general rate on land valued on an unimproved value basis, which is zoned under the Town Planning Scheme No.3 for rural general or rural general urban farm land purposes and having relevant buildings erected on it including those being used for commercial or industrial purposes.

The objective of the rate is to impose a differential rate commensurate with the rural use of the land and to ensure that all ratepayers make a reasonable contribution

towards the provision of works, services and facilities throughout the City and their ongoing maintenance. It is also the City's benchmark differential UV rate and the base rate by which all other UV rated properties are assessed.

The proposed rate in the dollar of UV value for this category is \$0.00281 with a minimum payment amount of \$1,147.

This will apply to 62 or 0.11 per cent of the City's rateable properties.

Rural Vacant Land (UV)

This rate category imposes a differential general rate on land valued on an unimproved value basis, which is zoned under the Town Planning Scheme No.3 for rural purposes and being vacant land.

The objective of this rate is to promote the development of vacant land within Cockburn, effectively providing a disincentive to owners for land banking and not actively developing their vacant rural land for its intended purpose.

The proposed rate in the dollar of UV value for this category is \$0.00421 with a minimum payment amount of \$1,147.

This will apply to 39 or 0.07 per cent of the City's rateable properties.

Are there other charges?

A Specified Area Rate (SAR) is an additional rate charge that is applied separately to designated areas within the City to cover additional maintenance and asset renewal costs.

The Waste Management Service Charge for improved commercial, industrial and UV properties using the service is \$458. For rates exempt properties, the charge is also \$458.

The Annual Swimming Pool Levy for 2025-26 is proposed to remain at \$56.03 per swimming pool. This levy works on a full cost recovery basis and all funds raised by the levy will go towards the inspection of 8,203 swimming pools in Cockburn as required by legislation.

Payment options

Payment options include payment in full within 35 days of your rates notice being issued, payment over four instalments or Smart Rates (see paragraph below). To continue providing cost of living relief to ratepayers this year, the City is extending its policy of waiving interest and administrative fees for installment payments, and other

approved payment plans. Penalty interest on overdue amounts will remain at 6 per cent for those properties without payment plans.

For increased affordability, the City provides the opportunity for ratepayers to make weekly, fortnightly, or four-weekly direct debits under its 'Smart Rates' initiative. This option will not attract interest charges as mentioned above.

The City will continue to accept credit card payments without any extra fees or surcharges in 2025-26.

Although not a Council related charge, the City collects the Emergency Services Levy (ESL) on behalf of the Department of Fire and Emergency Services (DFES) via the annual rates notice.

Submissions

6.36 (3)(b)(ii) of the *Local Government Act 1995* requires Council to invite submissions from electors and ratepayers in respect of the rates and minimum payments proposed for the differential general rating categories. Although not required to, Council is also willing to accept submissions on any specified area rate proposed.

All submissions are to be made by 5pm, Wednesday 4 June 2025.

Submissions are preferred via our engagement platform Comment on Cockburn, <https://comment.cockburn.wa.gov.au/>

A report will be prepared on submissions, if any, and presented to the Special Council Meeting on Thursday 19 June 2025.

Enquiries: Call **08 9411 3444** or email customer@cockburn.wa.gov.au.

Attached Map 1 Port Coogee Special Maintenance & Waterways



— Specified area rate boundary

Government ownership (56 lots)

Private ownership (47 lots)


0 150m


Scale

COCKBURN COAST SPECIFIED AREA RATES

City of Cockburn, Whadjuk Boodjar
PO Box 1215, Bibra Lake DC WA 6965
9 Coleville Crescent, Spearwood WA 6163
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www.cockburn.wa.gov.au



 This information is available in alternative formats upon request.

 Paper from responsible sources.