



2026/2027 Rating Proposal

Including Statement of Objects and Reasons



Acknowledgements

Acknowledgement of Country

The Shire of Denmark rests on the lands of the Minang and Bibbulmun People of the Noongar Nation.

The lands and waters within the bounds of our Shire were cared for and managed by Traditional Custodians for thousands of years before our Local Government came into existence.

The Shire of Denmark respectfully acknowledges those many generations of on-going custodianship and we extend our respects to Elders past, present and future.

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Introduction

Every local government district is diverse and filled with community members from all walks of life at every stage of life. Though we all have passions, careers, families, and priorities unique to ourselves, we are also members of the community here within the Shire of Denmark. As community members and ratepayers, we share common ground because we all contribute to our community life for the benefit of all.

Rates are a key source of revenue to fund the delivery of key services and outcomes for our community.

Rate revenue contributes to our maintenance and capital works program for our Shire's 600km road network, the safe operation of our waste services and the preservation of other public assets such as our popular reserves, parks, playgrounds, Recreation Centre, and Public Library.

As ratepayers, we all contribute our fair share, no matter where we live, based on the differential rates proposed.

The team at our Shire works hard to pursue additional sources of revenue through the acquisition of grant funding and additional support. Every year, more than 50% of the operational costs of our Shire are paid for by external sources.

Proposed Rate Increase

Acknowledging the cost-of-living pressures households and businesses face, we propose a rate increase of 2% above annual CPI (4.6%), representing an average dollar increase of \$142 per ratepayer or \$2.73 per week.

How will the funds be used?

The proposed increase is earmarked for asset renewal and will focus on:

- Asset maintenance and upgrades to existing assets. This includes repairing roads, upgrading playgrounds, and community facilities.
- Infrastructure renewal. As assets age, they require renewal. Whether it's replacing aging water pipes or upgrading
- Electrical systems, these investments are essential to prevent costly failures and disruptions.
- Long-term viability of our community. By investing in asset renewal, we protect our community's well-being and enhance community pride.

Budget and Rate Setting Process

As community representatives, our Councillors carefully consider financial data throughout the budget-building process, working closely with our finance team to finalise the proposed rates and budget for the upcoming financial year.

Key Dates

30 June	June Ordinary Council Meeting (vote to advertise 2026/2027 Rating Proposal)
1 July	Public Comment Period opens
22 July	Public Comment Period closes
7 August	Proposed Annual Budget published with agenda for August Special Council Meeting
11 August	Special Council Meeting (vote to adopt Rates and Annual Budget)

Have Your Say

Visit www.yourdenmark.wa.gov.au/your-rates-2026-2027 for information on the Public Comment for this Rating Proposal.

Your written submissions received during the Public Comment Period will be collated and presented to Council to assist in the Rates and Annual Budget adoption meeting in August.

Differential Rates for 2026/2027

We have a **differential rating system** in the Shire of Denmark.

This means the Shire distinguishes between land in both the Gross Rental Value (GRV) and Unimproved Value (UV) rating categories based on characteristics including zoning, location and use.

A differential rate is imposed to ensure that every landowner makes a fair and reasonable contribution to maintaining and upgrading services and facilities within the district.

There are six differential rating categories in the Shire:

- Improved (GRV)
- Holiday purposes (GRV)
- Vacant (GRV)
- Rural (UV)
- Rural - Additional Use Holiday (UV)
- Rural - Additional Use Commercial (UV)

How are my rates calculated?

The amount of rates payable per property is determined by four factors:

- valuation type (GRV or UV)
- property valuation
- differential rate category
- rate in the dollar or minimum payment

The basis of valuation is either Gross Rental Value (GRV) or Unimproved Value (UV). GRV is used for non-rural properties, representing the estimated annual rent a property could earn. UV is used for rural properties, referring to the site's value.

Valuations are provided by the Valuer General (Landgate) in accordance with the Valuation of Land Act 1978. Landgate conducts valuations on GRV properties every 3 to 6 years and UV properties annually. Values are determined relative to sales and rentals as of 1 August of the preceding year.

Landgate completed the GRV valuation of all properties in the Shire as of 1 August 2024. The valuations came into force on 1 July 2025.

The 2025 revaluation of UV properties, effective from 1 July 2026, resulted in an overall valuation average increase of 8.65%.

Changes in property values are considered when determining the differential rates for the budget. The increase in valuation change justifies discounting the rate in the dollar for differential rate properties to achieve the required rate revenue.

General Rate

Council sets a rate in the dollar as part of its annual budget process which is then multiplied by a property's valuation to determine the amount you pay in rates each year.

Minimum Payment

Each differential rate category has a minimum payment that is applied to ensure those properties not subject to a rate in the dollar calculation make a fair and equitable contribution to the Shire's rate revenue. A minimum payment is levied when the calculated rate is equal to or less than the minimum payment amount for the relevant rate category.

To calculate your rates, multiply either your GRV or UV, depending on your property by the rate in the dollar of the respective rate category.

For example: if your property is valued at \$70,000 and the 'rate in the dollar' for the relevant rating category is 10c, we will multiply the value (\$70,000) by the rate in the dollar (10c) and the result will be the rate amount (\$70,000 x 10c = \$7,000 rates).

Proposed Rate in the Dollar and Minimum Payment

The table below shows the proposed rate in the dollar and minimum payment for each rating category in 2026/2027, with a direct comparison to the previous year.

Rating Category		Rate in the Dollar	
General Rate		2025/2026	2026/2027
Gross Rental Value	Improved	\$0.081219	\$0.086758
	Holiday Purposes	\$0.158377	\$0.169178
	Vacant	\$0.161626	\$0.172649
Unimproved Value	Rural	\$0.003885	\$0.003795
	Rural - Additional Use Holiday	\$0.005051	\$0.004934
	Rural - Additional Use Commercial	\$0.006605	\$0.006452
Minimum Payments		Amount	
Gross Rental Value	Improved	\$1512	\$1612
	Holiday Purposes	\$1815	\$1935
	Vacant	\$1480	\$1578
Unimproved Value	Rural	\$1738	\$1853
	Rural - Additional Use Holiday	\$2258	\$2407
	Rural - Additional Use Commercial	\$3301	\$3519

Comparison of Average Rates by Category

The table below compares the **average rate payable** from the 2025/2026 to the 2026/2027 financial year, per rating category.

Rating Category		Average Rate Payable	
		2025/2026	2026/2027
Gross Rental Value	Improved	\$2051	\$2193
	Holiday Purposes	\$3741	\$4022
	Vacant	\$1896	\$2014
Unimproved Value	Rural	\$2660	\$2824
	Rural - Additional Use Holiday	\$2884	\$3172
	Rural - Additional Use Commercial	\$4669	\$4962

Statement of Objects and Reasons

The overall goal or object of the Shire's differential rating system is to raise rates revenue in a fair and equitable manner.

Description	Characteristics	Objects	Reasons
Improved	All properties held or used for non-rural purposes, not for holiday purposes and currently not vacant.	To apply a base rate to improved land that is held or used for non-rural purposes.	To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire.
Holiday Purposes	All properties held or used for non-rural purposes and for holiday purposes.	The object of a higher rate in the dollar (95% premium on the Improved rate in the dollar) for this category is to provide fairness and equity across different types of residential land use.	<p>To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire.</p> <p>To reduce the significant disparity between the valuation of properties used for holiday purposes and those used as owner-occupied residents.</p> <p>Properties used for short term rentals generate higher gross rental income compared to properties used for long term residential purposes.</p>
Vacant	All properties held or used for non-rural purposes and currently vacant.	The object of a higher rate in the dollar (99% premium on the Improved rate in the dollar) for this category is to encourage absent owners of vacant land to develop and infill to improve the local economy and improve local visual amenity of the town.	<p>To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire.</p> <p>The development of all vacant rateable land is in the best interests of the community as it will improve the vibrancy of the Shire.</p>

<p>Rural</p>	<p>All properties held or used for rural purposes.</p>	<p>The object of the rate in the dollar for this category is to set an appropriate rate for properties held or used for rural purposes.</p>	<p>To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire.</p> <p>To achieve the required amount of revenue from the differential rate category.</p>
<p>Rural - Additional Use Holiday</p>	<p>All properties held or used for rural purposes and have additional holiday use(s)</p>	<p>The object of the rate in the dollar (30% premium on the base rural rate) for this category is to recognise the additional holiday use(s).</p>	<p>To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire.</p> <p>To reduce the disparity between the valuation of properties used for holiday purposes and those used for rural purposes.</p>
<p>Rural - Additional Use Commercial</p>	<p>All properties held or used for rural purposes and have additional commercial use(s)</p>	<p>The object of the rate in the dollar (70% premium on the base rural rate) for this category is to recognise the additional commercial use(s).</p>	<p>To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire.</p> <p>To reduce the disparity between the valuation of properties used for commercial purposes and those used for rural purposes.</p>

Pursuant to section 6.36 (3A) of the Local Government Act (1995), the basis on which the Shire determines that a property is held or used:

Improved

A property is determined to be rated as Improved where the property does not fit the definition of holiday purposes or vacant rating categories and where the method of valuation used for rating the property is the Gross Rental Value (GRV).

Holiday Purposes

A property is determined to be rated as holiday purposes where the property has been granted planning approval under the Town Planning Scheme (TPS) to operate as holiday home (standard or large) unhosted short-term rental accommodation and boarding house and where the method of valuation used for rating the property is the Gross Rental Value (GRV).

Vacant

A property is determined to be rated as vacant where the property is vacant land and where the method of valuation used for rating the property is the Gross Rental Value (GRV).

Rural

A property is determined to be rated as rural where the rating categories of rural - additional use holiday or rural - additional use commercial do not apply and where the method of valuation used for rating the property is the Unimproved Value (UV).

Rural - Additional Use Holiday

A property is determined to be held or used for rural - additional use holiday where the property has planning approval under the TPS to operate Holiday Home (large or standard) unhosted short-term rental accommodation; or up to four (4) chalets and where the method of valuation used for rating the property is the Unimproved Value (UV).

Rural - Additional Use Commercial

A property is determined to be rated as rural - additional use commercial where the property has planning approval under the TPS to operate more than four (4) chalets and/or the property has approved commercial use in accordance with the TPS and where the method of valuation used for rating the property is the Unimproved Value (UV).



Have Your Say

Community submissions on this proposal are welcomed during the public comment period. More information available at

www.yourdenmark.wa.gov.au/your-rates-2026-2027