# Statement of Objects and Reasons 2026-27

Town of Cottesloe

## Objects and Reasons

In accordance with Sections 6.33 and 6.36 of the *Local Government Act 1995* and Council's Notice of intention to continue levying differential general rates and minimum payments for the 2026-27 financial year on rateable properties, the Town hereby provides a Statement of Objects and Reasons for implementing differential general rates.

## Overall Rating Objective

Each financial year the Town's rates properties to enable the delivery of the planned range and standard of works and services.

Rates payable are determined by the method of valuation of the land, the valuation of the land and improvements, and the rate in the dollar applied to that valuation.

**Rates payable = (Valuation x rate in the dollar) - rate concession (if applicable)**

The valuation of land and improvements is the Gross Rental Value or GRV and is determined by the independent State government authority, the Valuer General of WA for all rateable and leviable properties in Western Australia.

The GRV is the total annual rent a property might reasonably be expected to earn each year if the property was rented out. This includes associated rates, taxes, charges, insurances, and other outgoings. For non-residential properties, GST is also included.

The Valuer General has undertaken a Gross Rental Value (GRV) revaluation of all properties within the City, effective for a three-year period commencing 1 July 2026. As a result, GRV property valuations will differ from those applied over the previous three years.

The rates in the dollar for each differential rating category are set to recover the net funding shortfall after considering all non-rate sources of revenue.

## Differential Rates and Minimum Charges

The Town of Cottesloe will apply differential general rates and minimum payments for the 2026-27 financial year as summarised in the following table:

| Rate Category | Rate in the Dollar ($) | Minimum Payment |
|---|---|---|
| Residential Improved | 0.05279 | $1,200 |
| Residential Vacant | 0.06300 | $1,700 |
| Commercial Improved | 0.06300 | $1,700 |
| Commercial Vacant | 0.06300 | $1,700 |

| | | |
|---|---|---|
| Town Centre Commercial | 0.07538 | $1,750 |
| Industrial Improved | 0.06300 | $1,700 |
| STRA's (Un-hosted) | 0.06300 | $1,700 |

**Why do we have differential rates?**

To levy rates that are more equitable across different types of properties, the Town has implemented differential rates.

The Town applies differential rates by considering the varying levels of services provided to different property types, the costs associated with servicing those properties, and the need to support or incentivise specific activities within the Town.

## Objectives of Differential Rates

### Residential Improved

All improved land that is zoned for residential purposes (i.e primarily residential land) and that is not zoned for commercial or industrial uses.

The **object** of this rate is to apply a base differential rate to properties used for residential purposes. It is the Town's benchmark by which all other GRV rate properties are assessed.

The **reason** for this rate is to ensure that all ratepayers make a reasonable contribution to the cost of local government services and facilities available to residents. It is also lower than the vacant land differential rate as the Town is encouraging owners of land holdings to develop that land.

### Residential Vacant

All vacant land that is zoned for residential purposes (i.e primarily residential land) that is not zoned for commercial or industrial uses.

The **object** of this differential rate is to impose a higher differential rate to encourage the development of vacant land into residential property.

The **reason** for this rate is that the development of vacant land is expected to deliver community benefits by enhancing the vibrancy of the Town and neighbourhood centres and increasing the supply of housing.

### Commercial Improved

All improved land that is zoned for commercial uses, other than land determined to be categorised as Commercial Town Centre.

The **object** of this rate is to ensure all commercial properties contribute fairly and equitably towards the higher levels of amenities and services supporting these properties.

The **reason** for this rate is to ensure that the amount of rates derived is sufficient to meet the specific demands placed on the Town's infrastructure and services, recognising the higher service demands generated by commercial and industrial activity. This includes increased maintenance requirements and transport links.

**Commercial Vacant**

All vacant land that is zoned for commercial uses, other than land determined to be categorised as Commercial Town Centre.

The **object** of this rate is to impose a higher differential rate for vacant land to encourage development within the Town.

The **reason** for this rate is the Town considers the development of vacant commercial and industrial land is in the best interests of the community, supporting the development of all properties to their full potential and stimulating economic growth.

**Town Centre Commercial**

Land used for commercial purposes and non-residential land, located in the Cottesloe Town Centre area. The higher rate reflects the additional costs associated with area promotion and improvement. The Town works with the organisation known as ProCott Incorporated. to achieve these objectives.

The **object** of this rate is to ensure all Commercial Town Centre properties contribute fairly and equitably towards the higher levels of amenities and services supporting these properties.

The **reason** for this rate is to ensure that a reasonable contribution is made towards the higher costs of services and facilities associated with these properties such as increased maintenance requirements and transport links.

**Industrial Improved**

All improved land that is zoned for industrial uses, other than land determined to be categorised as Commercial Town Centre.

The **object** of this rate is to ensure all industrial properties contribute fairly and equitably towards the higher levels of amenities and services supporting these properties.

The **reason** for this rate is to ensure that the amount of rates derived is sufficient to meet the specific demands placed on the Town's infrastructure and services, recognising the higher service demands generated by commercial and industrial activity. This includes increased maintenance requirements and transport links.

**Short-Term Residential Accommodation - Unhosted**

This rate applies to land zoned residential where a purpose for which the land is held or used is to offer home short stay accommodation.

This is applicable to owners that have an active un-hosted registration on 1 July on the WA Government Short-Term Rental Accommodation Register and applies for the full financial year.

The **object** of this rate is to ensure that the proportion of total rates derived from un-hosted short stay represents an equitable contribution towards Town amenities and services supporting this activity.

The **reason** for this rate is to ensure the owners of residential land used for the commercial purpose of short stay accommodation contribute to costs associated with this activity. This includes economic development initiatives, marketing and maintaining essential public infrastructure such as beaches, parks and public amenities.

## Minimum Rates

A minimum rate is applied to all the Town's differential rate categories. The imposition of a minimum rate is in recognition that every property receives at least a minimum level of benefit from the amenities, infrastructure and services provided by the Town.

## Submissions

Section 6.36 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.

Any submissions by electors or ratepayers on the proposed rates and any related matters must be received in writing by the Town, no later than Friday 7 August 2026 to:

| **By Mail** | **By Email** |
|---|---|
| Chief Executive Officer<br>Town of Cottesloe<br>PO Box 606<br>COTTESLOE WA 6911 | town@cottesloe.wa.gov.au |

All submissions will be considered by Council prior to adoption of the budget for 2026-27.