

# Shire of Cocos (Keeling) Islands

## STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATES AND MINIMUM PAYMENTS 2025/2026

In accordance with Section 6.36 of the *Local Government Act 1995 (WA)* (CKI) and Council's public Notice of Intention to Levy Differential Rates and Minimum Payments, the following information outlines the object and reason for each of the proposed rating categories for the 2025/2026 financial year.

### SUMMARY OF PROPOSED RATES AND MINIMUM PAYMENTS

To take effect from 1 July 2025:

	<b>2025/2026 Rate in the Dollar (\$)</b>	<b>2025/2026 Minimum Payment (\$)</b>
General Developed	0.10505	840
Vacant Land	0.20850	920
Business	0.11750	840

These proposed rates are expected to generate \$539,316 in rate revenue (based on data as at 31 May 2025), representing a 2.8% increase from 2024/25.

### WHAT ARE RATES?

Rates are a form of property-based taxation levied on all rateable land within the Shire of Cocos (Keeling) Islands. The primary purpose of rates is to fund the Shire's services, programs, infrastructure, and capital works, after accounting for other sources of income.

The rating system is underpinned by property valuations and aims to distribute the cost of local government services fairly. The Shire uses Gross Rental Value (GRV) as the basis for its rating, with all properties valued by Landgate (Valuer General's Office). GRVs are updated every three years, with the current values based on a valuation date of 1 August 2024.

## **LEGISLATIVE FRAMEWORK**

- Section 6.32 of the *Local Government Act 1995 (WA) (CKI)* allows councils to impose general rates to meet budget requirements.
- Section 6.33 provides for differential general rates, which may vary based on zoning, land use, or other characteristics.
- Section 6.35 permits councils to impose minimum payments, ensuring all ratepayers contribute equitably to the cost of local services.

## **RATING BASE – GROSS RENTAL VALUE (GRV)**

The Shire applies differential rating within the GRV system across three categories:

- GRV General Developed
- GRV Vacant Land
- GRV Business

All valuations are set by the Valuer General based on rental evidence and market factors such as location, property size, construction type, and condition.

## **OBJECTS AND REASONS FOR DIFFERENTIAL RATES**

### **GRV – GENERAL DEVELOPED**

- Characteristics: Includes residential, special use, and other properties where no commercial activity occurs, including those not advertised as holiday accommodation.
- Object: To serve as the base rate for comparison with other categories.
- Reason: This category typically has a lower demand on Shire services, and vacant land is encouraged to be developed to a similar standard.
- Proposed rate: \$0.10505 per dollar of GRV
- Minimum payment: \$840

### **GRV – VACANT LAND**

- Characteristics: Land that is undeveloped, with no improvements beyond those defined as “merged improvements” under the *Valuation of Land Act 1978*.
- Object: To encourage the development of vacant land and reflect the distinct valuation method applied.
- Reason: Vacant land does not currently contribute to housing or economic activity. The higher rate is intended to incentivise development.
- Proposed rate: \$0.20850 per dollar of GRV
- Minimum payment: \$920

## GRV – BUSINESS

- Characteristics: Properties zoned for commercial or industrial use, or those primarily used for commercial purposes, including holiday accommodation.
- Object: To raise additional revenue to reflect the higher level of services required.
- Reason: Business and tourism-related properties generate increased infrastructure and servicing needs, including waste, landscaping, tourism promotion, and economic development.
- Proposed rate: \$0.11750 per dollar of GRV
- Minimum payment: \$840

## MINIMUM PAYMENTS – OBJECT AND REASON

The minimum payment ensures that all ratepayers contribute a fair and equitable amount to the Shire's overall revenue. It is intended to:

- Maintain equity across the rating base;
- Ensure properties with lower valuations contribute appropriately to community services; and
- Support the delivery of essential infrastructure and services.

Rate Category	Proposed Minimum Payment
General Developed	\$840
Vacant Land	\$920
Business	\$840

## HAVE YOUR SAY

The Shire invites submissions from ratepayers and electors on the proposed differential rates and minimum payments.

**Submissions close at 5:00pm on Tuesday, 8 July 2025.**

Send your submission via email to: [info@cocos.wa.gov.au](mailto:info@cocos.wa.gov.au)