

Shire of Cocos (Keeling) Islands

STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATES AND MINIMUM PAYMENTS 2026/2027

In accordance with Section 6.3.6 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 objects and reasons for each of the proposed rating categories for the 2026/2027 financial year.

SUMMARY OF PROPOSED RATES AND MINIMUM PAYMENTS

To take effect from 1 July 2026:

	2026/2027 Rate in the Dollar (\$)	2026/2027 Minimum Payment (\$)
General Developed	0.10873	870
Vacant Land	0.21580	950
Business	0.12161	870

These proposed figures in the Table above represent a 3.5% increase (rounded) over 2025/26 comparatives.

The above proposed Rates are expected to generate \$565,484 in rate revenue (based on data as at 31 March 2026).

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 to six 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: \$0.10873 per dollar of GRV
- Minimum payment: \$870

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: \$0.21580 per dollar of GRV
- Minimum payment: \$950

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: \$0.12161 per dollar of GRV
- Minimum payment: \$870

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	\$870
Vacant Land	\$950
Business	\$870

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 Friday, 5 June 2026.

Send your submission via email to: info@cocos.wa.gov.au