

2025 - 2026

Proposed Revenue and Rating Plan

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Acknowledgement of Country

The Shire of Harvey acknowledges the traditional custodians of the land and their continuing connection to land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.

OUR VISION

Together, towards an even better lifestyle.

We value

Effective stewardship of our environment and heritage;

A safe community that has a strong community spirit and sense of belonging;

Effective communication and cooperation;

Strong leaders and fair decisions; and

Our heritage – acknowledging our history in creating our future.

We are committed to being an inclusive, enterprising and engaging community that:

Actively works together and respects each other;

Acts with honesty, integrity and fairness; and

Is open-minded, approachable, tolerant and responsive.



Revenue and Rating Plan Explained

The Shire of Harvey provides infrastructure, services and facilities to the community and visitors to the region in the form of:

- Roads, paths and parks,
- Reserves and foreshores,
- Halls, libraries and leisure facilities,
- Health building and planning services,
- Rubbish and ranger services
- Tourism and cultural services, and
- Many other community and wellbeing services.

The Revenue and Rating Plan (the Plan) sets the principles that guide the Shire in how it raises the revenue required to deliver these services along with fulfilling the community's goals and aspirations as identified in the Strategic Community Plan.

The Shire generates various forms of revenue which are identified and modelled as part of the Shire's long term financial planning and annual budget process. The Plan provides transparency to our community about the diversity and level of revenue sources available to the Shire.

As part of the annual budget process, Council raise rates to fund the deficit arising between the cost of delivering services and revenue raised from other sources.

Revenue and Rating Principles

Principles applying to the determination of this plan include:

Equity - taking into account the different levels of capacity to pay within the local community as fee for service.

The burden of raising revenue from rate payers through property rates is minimised by:

- Maximising revenue through non-rating revenue sources,
- Critically considering what facilities and services are essential for our community, and
- Continually improving the efficiency and effectiveness of service delivery.

Benefit - recognising that the services provided by the Shire benefit the community as a whole.

Transparency - being open in the processes involved in the raising of rates.

Simplicity - using a rating system that is simple and cost effective to manage; and the rate assessment as outlined on the rate notice is easily understood by the average community member.

Timeliness - ensuring all ratepayers are given adequate notice of their liability to pay fees and charges and rates.

Flexibility - responding where possible to unforeseen changes in the economy to protect the adopted level of service desired by the community (this may include dropping the level of service in parallel with the adjustment of rating).

Compliance - complying with the requirements and intent of relevant legislation.

Sustainability - making revenue decisions that support the financial strategies for the delivery of infrastructure and services identified in the Strategic Community Plan, Corporate Business Plan and underpinned by the Long Term Financial Plan, Asset Management Plan and Workforce Plan.

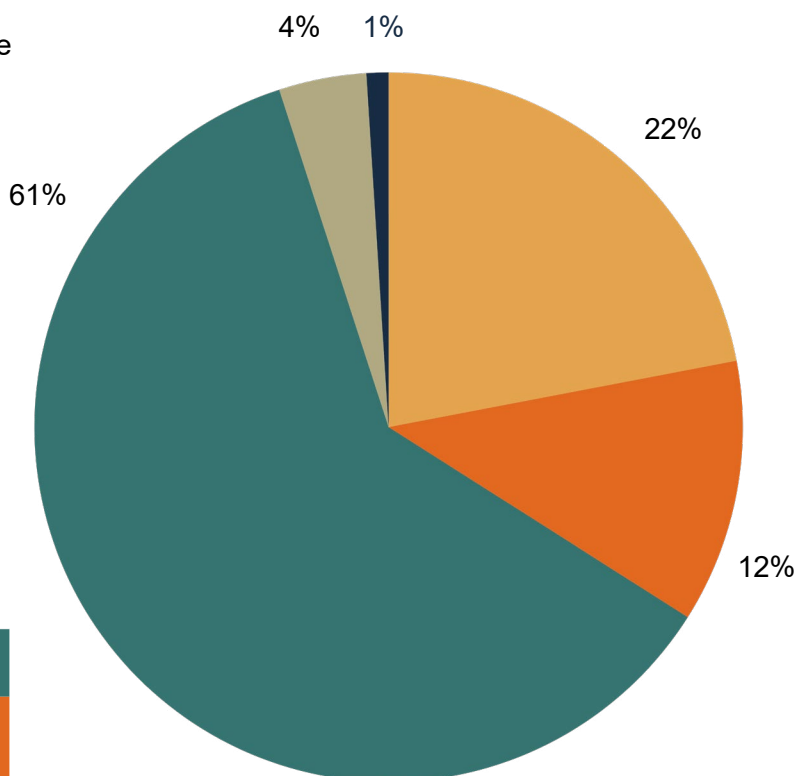
Earmarking - revenue raised for specific projects or services are to have a direct cost and benefit link.

Revenue Mix

Rates and annual charges comprise 61% of operating revenue.

The 2023-2024 annual financial statements record the split of revenue as:

Rates	\$27,782,000
Operating grants and contributions	\$5,357,000
Fees and charges	\$9,837,000
Interest earnings	\$1,839,000
Other revenue	\$403,000



Cost Pressures

The current national and international economic climate has resulted in the cost of materials, utilities, insurances, wages and most other related expenditure categories increasing significantly.

To cover the added risks associated with operating in this economic climate, costs associated with construction and major works have also increased beyond the CPI level.

The Shire remains in a catch-up from prior years as a result of COVID induced hardship, resulting in the Shire not increasing rates in line with service level requirements or CPI increases.

	Annual Perth CPI Increase (March to March)	Local Government Cost Index (Provided by WALGA)
2024-2025	2.8%	3.2%
2023-2024	3.4%	3.5%
2022-2023	5.8%	4.5%

Long Term Financial Plan

The 2024-2034 Long Term Financial Plan was adopted by Council on 18 June 2024 and assumed a rates increase of 4% above CPI for years 2025-2026 and between 2% and 3.2% in the following years.

This increase is required to fund the Shire's planned expansion projects included in the Corporate Business Plan as well as fund existing service level requirements.

Service level requirements include, among other things, maintenance of the Shire's \$800 million road, drainage and building assets.

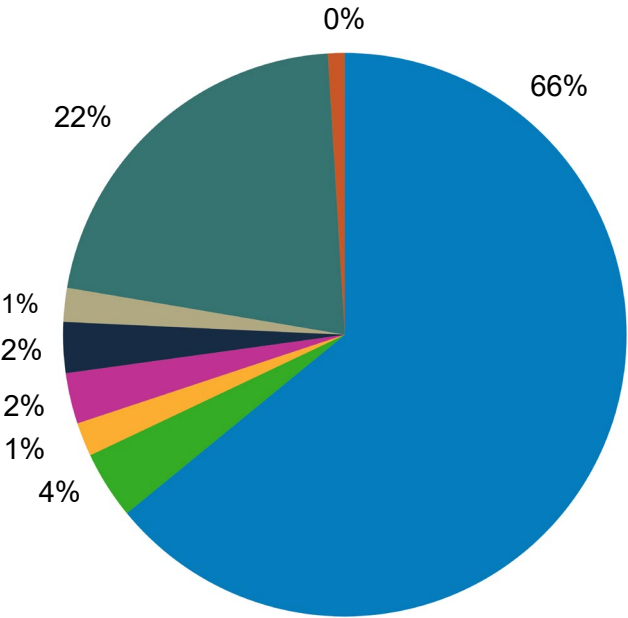
Resulting from the financial pressure placed on residents and in a move to more fairly distribute the burden of Shire rates, this Plan focuses on the use of differential general rates relating to commercial and industrial properties.



Fees and Charges

Fees and Charges (User Charges) are forecast to generate approximately \$11.5m in 2025-2026 and represent around 20% of total operating revenue.

Fees and Charges (with the exception of waste related fees and charges) were adopted by Council and advertised to the public in May 2025.



Community Amenities	\$7,642,000
Economic Services	\$501,000
General Purpose Funding	\$83,000
Governance	\$280,000
Health	\$282,000
Law, Order, Public Safety	\$172,000
Recreation and Culture	\$2,520,000
Transport	\$33,000

General Fees and Charges

User fees and charges are those the Shire will charge for the delivery of services and use of community infrastructure. They include:

- Waste management collection
- Leschenault Leisure Centre
- Harvey Recreation and Cultural Centre
- Hire of sports grounds, halls and facilities
- Cemetery services, and
- Commission of vehicle licensing.

Emergency Services Levy

Emergency Services Levy (ESL) is collected on behalf of the State Government and is used by the Department of Fire and Emergency Services to deliver fire and emergency services throughout Western

Australia. The Shire is paid \$11,000 per annum to administer this levy. The ESL is calculated the same way as rates using property values set by the Valuer General.

Statutory Fees and Charges

Statutory fees and fines are those collected by the Shire of Harvey under the direction of legislation or other government directives. The dollar amount used for statutory fees, charges and fines is generally advised by the State Government department responsible for the corresponding service or legislation. Generally, the Shire has limited discretion in

applying these fees. Examples of statutory fees and fines include:

- Planning and subdivision fees,
- Building and health inspection fees, and
- Infringements and fines.

Rates

The Rates Levy (Rates) is a legislated charge the Shire uses to raise revenue to fund essential public services for our community. Legislation provides some flexibility for Council to use different tools in its rating structure to accommodate issues of equity and to ensure fairness in rating for all ratepayers; the two main rating avenues are Differential General Rates and Specified Area Rates.

Rates are an important source of revenue, accounting for approximately 61% of operating revenue. The collection of rates is therefore an important factor in funding Council services.

The Shire is aware of community sensitivity to rate increases and the balance between rate revenue and the provision of community services. Planning for future rate increases is therefore an essential component of the Long Term Financial Plan.

Rates are based on property values and are therefore a property tax. Under the *Valuation of Land Act 1978*, the Valuer General must

determine the land value of all rateable property. In accordance with the *Local Government Act 1995*, the Shire utilises the land value provided by the Valuer General in the calculation of Shire rates.

In accordance with the section 6.26 of the *Local Government Act 1995*, all land within the Shire is rateable land unless it forms one on the exemptions as specified in the Act.

The Department of Local Government and Communities' Rating Policy Differential Rates (s.6.33) March 2016, sets out the key values that the Shire's proposed rates should demonstrate. The key values are:

- Objectivity,
- Fairness and Equity,
- Consistency,
- Transparency, and
- Administrative Efficiency.

These values form part of the principles applied to the determination of rating outlined in the Plan.

Differential General Rating

Differential General Rating allows a local government to rate on the basis of Land Use, Zoning or a combination of both. The Shire considered various options of Differential Rates when developing the Plan.

The Differential Rating categories of the Shire of Harvey along with rating category information are:

Rate Category	Number of Properties	Rate in the \$	Proposed Differential %	VGV \$000	Minimum Payment
Gross Rental Value					
GRV - Residential Rate	11,253	0.072874	100	287,482	\$1,482
GRV - Commercial/Industrial Rate	296	0.102485	141	48,424	\$1,564
GRV - Transient Workforce / Workforce Accommodation	0	0.119578	164	0	\$1,795
Unimproved Value					
UV - Rural Rate	1,753	0.004518	100	984,206	\$1,482
UV - Commercial Rate	32	0.005324	118	3,622	\$1,564
Total	13,334				

Note: VGV is the Valuer General's Valuation of the property as provided by the Valuer General. Differential % is calculated by dividing each differential rate \$/VGV into the general rate \$/VGV

The increase to the GRV – Residential Rate and UV – Rural Rate represents a 6.9% increase on the 2024–2025 rate in the dollar (after revaluation equalisation) and a 6.9% increase in minimum rates.

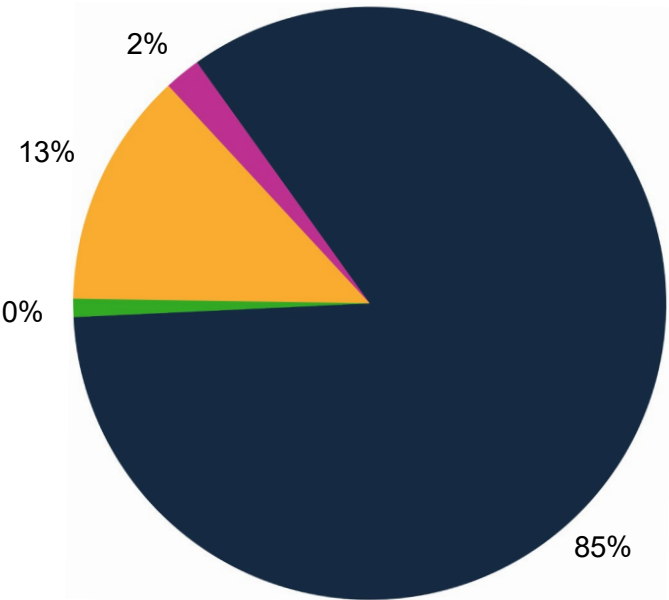
The differential between the GRV – Commercial/ Industrial Rate and the GRV – Residential Rate is 40.6%. A consideration in making this proposal is that GRV commercial and industrial properties can generally apply a tax deduction for local government rates.

The differential between the GRV – Transient Workforce / Workforce Accommodation Rate and the GRV – Residential Rate is 64.1%. A consideration in making this proposal is that GRV transient workforce / workforce accommodation properties can generally apply a tax deduction for local government rates and the increased rate reflects a higher use of Shire facilities through a more densely populated property.

The differential between the UV – Commercial Rate and the UV – Rural Rate is 17.8%. A consideration in making this proposal is that UV commercial properties can generally apply a tax deduction for local government rates.

Number of properties by category:

GRV - Residential Rate	11,253
GRV - Commercial / Industrial Rate	296
GRV - Transient Workforce / Workforce Accommodation	0
UV - Rural Rate	1,753
UV - Commercial Rate	32



Objectives and Reasons for Differential Rates

The overall objective of the Shire’s differential rates is to raise rate revenue in a manner that is simple, efficient and equitable to all ratepayers within the district. The objectives and reasons for each differential rating category are as follows:

• GRV – Residential Rate

This objective of this category is to apply a differential general rate or minimum payment to land used, held or zoned for residential purposes. This also acts as the Shire’s benchmark differential rate and minimum payment by which all other GRV rated properties are assessed.

The reason for this rate is to ensure that ratepayers make a reasonable contribution towards ongoing maintenance and provision of works, services and facilities.

• GRV – Commercial/Industrial Rate

The objective of this category is to apply a differential rate or minimum payment to land wholly or partly used, held or zoned for Commercial or Industrial purposes.

The reason for this rate is to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities and services.

• GRV – Transient Workforce / Workforce Accommodation Rate

The objective of this category is to apply a differential rate or minimum payment to land wholly or partly used, held or zoned for Transient Workforce / Workforce Accommodation (TWA) purposes.

The reason for this rate is TWA properties have the potential to have a greater impact on Shire’s services / assets than other properties, due to their number of occupants in a relatively small land parcel (i.e. a concentration of coach / vehicle movements on local roads). In order to appropriately maintain and manage Shire assets and infrastructure in the longer term, a higher differential rate is proposed for this category to reflect the greater potential and actual intensity of the use of Shire services and infrastructure.

• UV – Rural Rate

The objective of this category is to apply a differential general rate or minimum payment to land used, held or zoned for bona-fide rural purposes and to act as the Shire's benchmark differential rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards ongoing maintenance and provision of works, services and facilities.

• UV – Commercial Rate

The objective of this category is to apply a differential rate or minimum payment to land with an Unimproved Value that is wholly or partly used, held or zoned for commercial purposes.

The reason for this rate is to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities and services, and to achieve a fair and equitable level of rating between commercial properties within both the UV and GRV differential rating categories.

Specified Area Rates

It is proposed for the 2025–2026 financial year that the following rate in the dollar apply for the specified areas listed below.

- Kingston Landscaping – all subdivided lots within Kingston

Rate in dollar – 0.006705 which represents a 2.8% increase from 2024–2025.

Objects and Reason for Specified Area Rate

To maintain the landscape of the common areas of Kingston to a higher standard of presentation.

- Galway Green Landscaping – all subdivided lots within Galway Green

Rate in dollar – 0.006305 which represents a 2.8% increase from 2024–2025.

Objects and Reason for Specified Area Rate

To maintain the landscape of the common areas of Galway Green to a higher standard of presentation.

- Lakewood Shores Landscaping – all subdivided lots within Lakewood Shores

Rate in dollar – 0.007292 which represents a 2.8% increase from 2024–2025.

Objects and Reason for Specified Area Rate

To maintain the landscape of the common areas of Lakewood Shores to a higher standard of presentation.

- Treendale Landscaping – all subdivided lots within Treendale

Rate in dollar – 0.009510 which represents a 2.8% increase from 2024–2025.

Objects and Reason for Specified Area Rate

To maintain the landscape of the common areas of Treendale to a higher standard of presentation.

- Treendale District Centre – all subdivided lots within Treendale District Centre

Rate in dollar – 0.007554 which represents a 7.12% increase from 2024–2025.

Objects and Reason for Specified Area Rate

To maintain the common areas of the Treendale District Centre to a high standard of presentation

Rates Early Payment Incentive

Council has determined not to continue the Rates Early Payment Incentive. This followed negative public comments received while advertising the previous year’s 2024-2025 Revenue and Rating Plan.

Comments received were that the \$10,000 prize incentive was not a supported use of Shire funds.

Waste Facilities Maintenance Rate

The purpose of the Waste Facilities Maintenance Rate is to provide funding for the management of the Shire’s waste facilities. This includes, but is not limited to, the management, rehabilitation and any improvements to the Bunbury Harvey Regional Council waste facilities and the Richardson Road Refuse Facility. This rate is levied on all rateable land within the Shire.

Revenue from this rate will be available to providing for the proper performance of all or any of the waste facility services of the Shire. This rate is separate from the differential rates to be adopted by Council. The proposed rate in the dollar and minimum rate for the Waste Facilities Maintenance Rate is shown in the following table:

Rate Category	Number of Properties	Rate in the \$	Minimum Payment	Rates Raised
Gross Rental Value				
GRV - Residential Rate	11,253	0.000001	\$90	\$1,012,770
GRV - Commercial/Industrial Rate	296	0.000001	\$90	\$26,640
Unimproved Value				
UV - Rural Rate	1,753	0.000001	\$90	\$157,770
UV - Commercial Rate	32	0.000001	\$90	\$2,880
Total	13,334			\$1,200,060



Further Rating Information

Rebate of Rates Pensioners

The Shire will grant concessions to eligible pensioner ratepayers who have registered their entitlement with the Shire to receive a rebate on Shire rates and the Emergency Services Levy. This is subject to the *Rates and Charges (Rebates and Deferments)*

Act 1992 and in accordance with the *Local Government Act 1995* and Regulations. The Domestic Waste Management charge to owners of rateable properties does not qualify for a rebate.

Payment of Rates

The Shire levies rates once per financial year and issues an annual rates notice to all ratepayers. Rates are levied as early as possible each financial year and are typically due for payment in the following months:

- September
- November
- January
- March

In the event that rates are levied earlier or later, due dates for payment shall be set in accordance with section 6.50 of the *Local Government Act 1995*.

Objection Rights

Pursuant to section 6.76 of the *Local Government Act 1995*, a person may object to a rates notice on the following grounds:

- There is an error in the rates notice in relation to the identity of the land owner or the part of the land to be rated; or
- If the Shire imposes a differential general rate, that the characteristics of the land recorded in the rate record as the basis for imposing that rate should be deleted and other characteristics substituted.

An objection is to be made in writing within 42 days of service of the rates notice under section 6.41.

Pursuant to section 32 of the *Valuation of Land Act 1978*, a person may object to the valuation on which their rates assessment was based.

An objection to the valuation of a parcel of rateable land should be directed to the Valuer General's Office and is to be made in writing within 60 days of service of the rates notice under section 6.41.

General Rates and Specified Area Rates

In accordance with section 6.82(1) of the *Local Government Act 1995*, where there is a question of general interest as to whether a rate or service charge was imposed in accordance with this Act, the local government or any person may refer the question to the State Administrative Tribunal to have it resolved.






**SHIRE OF
HARVEY**
A Breath of Fresh Air

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