

Intention to levy differential rates FY2026-27

Description of proposal (including objects and reasons)

Introduction

Each year, local governments in Western Australia prepare annual budgets, which must be adopted by their respective councils. These budgets ensure sufficient funding is available to deliver services and key infrastructure for the community.

After taking into account other revenue streams, such as grants, subsidies, contributions, fees and charges, local governments levy rates on rateable land to fund the remaining budget requirement.

Under the *Local Government Act 1995*, local governments can choose to set these rates either **uniformly or differentially**. A **uniform rate-in-the-dollar** is one that is applied to all ratepayers equally, whereas a **differential rate-in-the-dollar** is applied at different levels according to prescribed categories (such as residential, commercial and industrial).

The City of Joondalup has applied differential rating since the 2008–09 financial year and will apply differential rates for the 2026–27 financial year.

This document outlines what differential rates are, the reasons for the City’s approach, and the proposed rates for the 2026–27 financial year.

In accordance with the *Local Government Act 1995*, the City is required to advertise the “objects and reasons” for each proposed rate and minimum payment. This document has been prepared to meet this requirement.

How rates charges are calculated

In Western Australia, the rating process is prescribed under the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*. Rates charges for individual properties are calculated using the following formula:

$$\text{Property valuation} \times \text{rate-in-the-dollar} = \text{annual rates charge}$$

The **valuation** is determined externally by the Valuer-General and is calculated using either an **Unimproved Value (UV)** or a **Gross Rental Value (GRV)**.

An **Unimproved Value** is based on the value of the land only and is generally used for rural and semi-rural properties on the urban fringe. A **Gross Rental Value** represents the estimated annual rental income that a property could reasonably be expected to generate if leased from year to year. Almost all properties in the City of Joondalup are valued using Gross Rental Value.

A property’s Gross Rental Value or Unimproved Value is shown on the annual Rates Notice.

The **rate-in-the-dollar** is set by each local government and is determined based on the rates revenue required to balance the Annual Budget. Local governments may apply either a uniform or differential rate-in-the-dollar.

A **uniform rate-in-the-dollar** applies equally to all rateable properties, whereas a **differential rate-in-the-dollar** applies at different levels based on defined property categories.

Under the *Local Government Act 1995*, rates may be differentiated by:

- the purpose for which the land is zoned
- the purpose for which the land is held or used
- whether the land is vacant
- a combination of the above.

Local governments may also set a differential minimum payment each year. The purpose of a minimum payment is to ensure that all ratepayers contribute a base or minimum amount as rates.

These components form the basis for the differential rating structure outlined below.

Differential rates proposal for FY2026-27

For the 2026–27 financial year, the City will apply differential rates across a number of categories. The proposed differential rates and minimum payments for each category are outlined in the table provided.

A differential rate-in-the-dollar will be applied to all rateable land based on the predominant purpose for which the land is held or used, and whether the land is improved or vacant.

Properties valued using Gross Rental Value have been categorised as:

- **Residential**– properties used predominantly for single or multiple dwellings.
- **Commercial**– properties used for business and commercial purposes.
- **Industrial**– properties used for light **industrial** and/or manufacturing activities.

These categories are further divided into **Improved** and **Vacant** land. An improved property is one where buildings or other structures have been constructed on the land.

A higher rate is applied to vacant land to ensure that the contribution from these properties is equitable, to encourage development, and to discourage land banking.

Higher differential rates are applied to commercial and industrial properties in recognition of the greater demand these sectors place on City infrastructure, including increased traffic volumes and heavier vehicle loads.

Rural properties are subject to lower rates relative to residential and commercial properties, as they are assessed using Unimproved Values rather than Gross Rental Values.

Category of property	Cents in the dollar	Minimum payment
General rate - gross rental value		
Residential improved	4.3450	995
Residential vacant	7.6700	1,085
Commercial improved	6.7900	1,085
Commercial vacant	9.3120	1,085
Industrial improved	6.2850	1,085
Industrial vacant	9.6800	1,085
General rate - unimproved value		
Residential	1.1399	1,005
Rural	1.0753	1,005

The proposed minimum payment for the 2026–27 financial year is set at \$995 for residential properties. Where a property’s calculated rates charge is less than \$995, the minimum payment will apply.

Concessions

The proposed differential rates do not include concessions that certain members of the community may be entitled to. Statutory entitlements, including those for seniors, pensioners and other eligible concession holders, are applied to individual rates notices after the relevant differential rate has been applied.

Specified area rates

Property owners in Harbour Rise, Iluka, Woodvale Waters and Burns Beach are also subject to an area-specific landscaping rate. This rate is used to fund the provision of additional landscaping and park services within these areas.

Submissions

The City is inviting feedback from City of Joondalup electors, ratepayers, and resident or ratepayer association on the proposed differential rating categories, rates and minimum payments for the 2026–27 financial year.

Consultation with ratepayers and electors is undertaken in accordance with Section 6.36 of the *Local Government Act 1995*.

Consultation is open for comments on the proposed differential rating categories, rates and minimum payments only. Submissions are not being sought on whether the City should apply differential rates, as this is already provided for under the *Local Government Act 1995*.

Interested community members can submit their feedback via an Online Submission Form available in the Community Consultation section of the City's website at joondalup.wa.gov.au.

Alternatively, feedback may be provided in writing via email to info@joondalup.wa.gov.au or by post to:

**City of Joondalup
PO Box 21
Joondalup WA 6919**

Submissions must be received by **Thursday 18 June 2026**.

Following the close of the consultation period, the City will consider all feedback received and prepare a report for the Council on the outcomes. The outcomes will be published in the Community Consultation section of the City's website.

For further information, please contact the City on **9400 4000** or email info@joondalup.wa.gov.au.