SHIRE OF THREE SPRINGS

NOTICE OF INTENTION TO IMPOSE DIFFERENTIAL AND MINIMUM RATES

Pursuant to Section 6.33 and 6.36 of the Local Government Act 1995, notice is hereby given to ratepayers of the intention of the Shire of Three Springs to impose the following differential and minimum rates for the 2026/2027 rating year:

	Rate in the Dollar (Cents)	Minimum Payments
GRV – TS Town	12.7549	$1,000
GRV - Mining	23.9212	$1,000
UV – Rural & Arrino Town	0.7093	$1,000
UV - Mining	6.0800	$550

The proposed rates-in-the-dollar and minimum payments are based on estimates at the time of giving public notice and may change as part of Council's 2026/27 budget consideration. The object and reasons for each proposed rate may be inspected at the Shire Office, Railway Road, Three Springs during normal business hours or by visiting our web site www.threesprings.wa.gov.au. All submissions in writing with reference to the proposed differential rates or minimum payments should be forwarded to the Shire of Three Springs no later than 4:00pm on Monday 20 July 2026.

Mark Dacombe
Temporary Chief Executive Officer

27 June 2026

SHIRE OF THREE SPRINGS
2026/27 DIFFERENTIAL RATE MODEL
STATEMENT OF OBJECTS AND REASONS

Objects and Reasons for Implementing a Differential Rate

In accordance with Section 6.36 of the Local Government Act 1995 and the Shire's "Notice of Intention to Impose Differential Rates", the following provides the objectives and reasons underpinning the proposed differential rating structure for the 2026/27 financial year.

What are Rates?

Rates are the principal source of revenue for local governments across Australia. They are levied to fund the Shire's annual budget in a manner that is fair and equitable to all ratepayers.

In Western Australia, all land is valued by Landgate Valuation Services (the Valuer General's Office), a State Government agency. These valuations are provided to each local government and form the basis for calculating rates.

There are two types of land values used:

- Gross Rental Value (GRV): for properties in townsite and urban areas
- Unimproved Value (UV): for rural land and mining tenements

A property's rate is calculated by multiplying its value by the "rate in the dollar" set by the Council. This rate is determined annually, based on the revenue needed to meet the Shire's budgetary requirements.

In setting rates, the Shire considers not only its expenditure needs, but also the affordability and impact of rates on the community.

Proposed Rates and Minimum Payments for 2026/27

For the 2026/27 year, the Shire of Three Springs is proposing the following differential rates for each category of property, along with a minimum payment applicable to each category. All rate amounts are shown as cents in the dollar of assessed value, and minimums as a fixed annual charge per property:

Category	***Rate in the Dollar (cents)***	***Minimum Payment ($)***
GRV – Town	*12.7549*	*$1,000.00*
GRV – Mining	*23.9212*	*$1,000.00*
UV – Rural & Arrino Town	*0.7093*	*$1,000.00*
UV – Mining	*6.0800*	*$ 550.00*

Differential Rating Explained

Under Section 6.33 of the Local Government Act 1995, local governments are empowered to apply differential rates based on characteristics such as:

- Zoning of the land
- Land use or purpose
- Whether the land is vacant
- Any other prescribed characteristics

Differential rating allows the Shire to recognise differences in land use and its associated impact on infrastructure, services, and administration.

The primary objective is to ensure the rating burden is distributed equitably across all landowners, reflecting the extent to which different sectors use Shire services and infrastructure.

Application of Differential Rates

GRV – Town
Objective:
To provide an equitable contribution from townsite properties toward the provision and maintenance of essential services, community infrastructure, and facilities.

Reasons:
The rate reflects the benefit town residents and businesses derive from Shire services. It also considers the need to maintain affordability and long-term sustainability for ratepayers within the town.

GRV – Mining
Objective:
To ensure mining operations contribute fairly to the upkeep of infrastructure, particularly roads and bridges that support significant heavy vehicle use.

Reasons:
Mining activities often involve high-frequency, high-tonnage transport that impacts Shire roads and services. The GRV mining rate reflects the need for enhanced infrastructure maintenance and the additional demand placed on Shire resources by mining operations.

UV – Rural & Arrino Town
Objective:
To ensure agricultural and rural-residential properties contribute a fair share toward Shire services while recognising their lower impact on infrastructure compared to mining operations.

Reasons:
This rate class generally comprises broadacre farming, which is subject to weather and market volatility. The lower rate reflects the relatively lower use of infrastructure, while still maintaining revenue parity with prior years.

Valuations from the Valuer General have significantly increased over four consecutive years—30.08% in 2023/24, 34.41% in 2024/25, 22.12% in 2025/26 and 18.54% in 2026/27. The rate in the dollar has been reduced to mitigate the impact of these increases, while maintaining necessary revenue levels.

UV – Mining
Objective:
To ensure mining tenements contribute appropriately to the maintenance and renewal of Shire infrastructure and services they utilise, and to reflect their generally short-term and high impact presence in the district.

Reasons:
Mining, exploration, and prospecting activities benefit from infrastructure and services that have been established and maintained by long-term ratepayers. The UV Mining rate reflects:

- Significant wear and tear on the Shire's extensive unsealed road network.
- The extraction of non-renewable resources with long-term impacts.
- Increased administrative demands related to mining tenements (applications, valuations, enquiries, etc.).
- Limited direct benefit to the broader community due to transient operations

Given the often transitory nature of mining operations and the potential for high financial returns, this sector is expected to make a greater contribution to ensuring the fair and sustainable use of local resources.

Minimum Payments

Council has established minimum rates for each rating category to ensure all property owners make a reasonable contribution towards the cost of local government services, infrastructure, and community facilities.

A minimum rate recognises that many of the services provided by the Shire are available to all properties regardless of their valuation. These services include road maintenance, emergency management, community facilities, environmental health services, governance functions, waste management, planning services, and the ongoing maintenance of public infrastructure. The cost of providing these services does not simply reduce because a property has a lower valuation.

For 2026/27, the following minimum payments are proposed:

- An increase from $750 to $1,000 for all categories except UV Mining
- UV Mining minimum to remain at $550

The increase in the minimum rate primarily affects some pastoral properties, vacant townsite lots, lifestyle properties along the Three Springs–Perenjori Road, certain commercial and industrial properties within the Three Springs townsite with relatively low valuations, and residential properties within the Arrino Townsite. Many of these properties currently contribute substantially less towards the provision of local government services than residential properties within the Three Springs townsite.

Council considers it reasonable that these properties contribute a greater share towards the cost of services and infrastructure from which they benefit. Vacant lots and lifestyle properties continue to benefit from maintained road access, emergency services, community facilities, planning services, and other local government functions, regardless of whether they are developed or occupied. Similarly, commercial and industrial properties benefit from local infrastructure, regulatory services, and economic development initiatives that support business activity within the district.

Even with the proposed increase, many of the affected properties will continue to pay rates lower than the average paid by all residential properties within the Three Springs townsite. Council considers this outcome both equitable and appropriate, ensuring that all landowners make a fair contribution while recognising the differing characteristics and valuations of properties across the district.

The minimum rate also helps maintain the Shire's financial sustainability by ensuring that all properties contribute meaningfully to the fixed costs of delivering local government services across a large geographic area. Without a minimum rate, some properties would make only a very limited contribution despite receiving access to the same core services and infrastructure as other ratepayers.

The lower minimum rate of $550 for UV Mining properties has been proposed to ensure compliance with the requirements of the *Local Government Act 1995* and to avoid exceeding the legislative thresholds relating to the application of minimum rates within a differential rating category.