

STATEMENT OF OBJECTS AND REASONS

Proposed Differential General Rates and Minimum Payments 2026/27

Keeping essential services reliable, supporting recovery, protecting local assets and leveraging external investment - while sharing the cost fairly

Purpose and status of this statement

Section 6.36 of the Local Government Act 1995 requires the Shire to give local public notice of the proposed differential rates and minimum payments and to publish a document describing the object of, and reason for, each proposal. This statement provides that explanation and supports informed community consultation.

During the period of the Commissioner appointment, references in this statement to Council mean the Commissioner exercising the functions of Council.

The Commissioner is considering whether to advertise the proposal. The rates will not be imposed until the consultation period has closed, all submissions have been considered and a final decision is made through adoption of the 2026/27 Annual Budget.

At a glance

Key point	Current proposal
Proposed movement in total general rates yield	8.5% compared with the adopted 2025/26 general rates yield.
Estimated 2026/27 general rates revenue	\$7,969,424 across the six proposed differential rating categories.
Proposed minimum payment	\$1,580 for every differential rating category.
Modelled average GRV Residential movement	Approximately \$175 a year, \$14.58 a month or \$3.37 a week.
Impact on an individual property	Will vary according to valuation, rating category and whether the minimum payment applies.
Exceptional 2026/27 commitments	Governance transition, recovery from Severe Tropical Cyclone Narelle (AGRN 1280), service continuity after multiple emergency events, and delivery of major matched-funding projects.
Community consultation	At least 21 days, with every submission considered before a final decision.

A balanced approach for the Shire of Carnarvon

The Shire recognises the genuine cost-of-living and operating pressures affecting households in Carnarvon and Coral Bay, local businesses, growers, pastoralists, tourism operators, community organisations and other ratepayers. The community is being asked to contribute more at a time when many budgets are already stretched, and that must be acknowledged plainly.

The proposal seeks a responsible middle course. It does not attempt to recover every past shortfall in one year or fund an unconstrained program. It is intended to maintain essential services, protect priority assets and preserve the local capability needed to deliver projects and secure external funding. The Shire has also considered other revenue sources, expenditure, efficiencies and project timing. A lower rates yield remains available, but it would require an explicit decision to reduce services, defer works or identify alternative revenue.

How rates are calculated

Property valuation x rate in the dollar = general rate, subject to any applicable minimum payment.

The Valuer-General determines property valuations; the Shire does not. The Shire sets the rate in the dollar and the minimum payment through its annual budget process. Changes in valuation, rating category or minimum payment can therefore cause an individual rates notice to move by a different percentage from the overall change in rates revenue.

Land used predominantly for non-rural purposes is generally rated on Gross Rental Value (GRV). Land used predominantly for rural purposes is generally rated on Unimproved Value (UV). Carnarvon's current GRV general valuation took effect on 1 July 2024, while UV valuations are updated annually.

Differential rating allows Council to apply different rates in the dollar to categories based on lawful land characteristics such as zoning or land use. It is intended to distribute the rates burden in a way that is objective, consistent and explainable; it is not an assessment of a ratepayer's income or business profitability.

Why the proposed revenue matters in the Shire of Carnarvon

After accounting for grants, fees, charges and other income, general rates fund the remaining budget requirement. Carnarvon's rate-setting challenge is shaped by local realities: a comparatively small rate base, a remote service footprint, a demanding operating environment and community expectations for reliable basic services, renewal and visible progress. The Shire must balance immediate affordability with the risk of allowing service capacity, asset condition or emergency readiness to decline.

Budget consideration	Why it matters in Carnarvon
Carnarvon, Coral Bay and the wider district	The Shire serves two distinct communities and a large rural and remote district, while supporting residential, commercial, tourism, horticultural, pastoral and resource activity.
Regional-scale responsibilities	A comparatively small rate base supports two airports, two waste facilities, extensive roads and drainage, community and recreation facilities, coastal infrastructure and district-wide administration.
Remote delivery costs	Freight, contractor mobilisation, labour availability, staff housing, insurance, utilities, fuel and supply-chain constraints make routine services and works more expensive to deliver.
Multiple emergency events	During the current operational period, the Shire has managed two cyclone events and one flood event. Response, service continuity, public information and community support have drawn on staff, plant, contractors and local resources.
Governance transition	The appointment of a Commissioner until the special election provides continuity and decision-making stability, but also requires additional governance, meeting, legal, records, stakeholder-engagement and election-preparation capacity while ordinary services continue.
Confidence, investment and external funding	Safe roads, clean public places, regional aviation, visitor infrastructure and credible project delivery support liveability, business confidence and tourism. Local funds and staff capacity are also needed to attract and deliver State and Commonwealth investment.

Governance transition and recovery responsibilities

The appointment of the Commissioner has provided governance continuity and a clear decision-making pathway until the special election on 3 December 2026 and the transition to a newly elected Council. The transition is nevertheless not cost neutral. It requires temporary additional administrative and governance capacity for meetings, legal and statutory processes, records, stakeholder communication and preparation for the special election, while the organisation continues to deliver services and major projects.

During the current operational period, the Shire has managed two cyclone events and a flood event. Severe Tropical Cyclone Narelle and associated flooding (AGRN 1280, 25-28 March 2026) has moved the Shire from emergency response into sustained recovery. This work includes community information and support, liaison with businesses and primary producers, damage assessment, recovery planning, restoration of public assets, grant and claim administration, and coordination with State and Commonwealth agencies.

Disaster assistance is essential, but it does not remove the local burden. The Shire must carry staff time, cashflow, procurement, claims and reporting, and meet any required co-contributions or ineligible costs while routine roads, waste, planning, community, airport and regulatory services continue.

The rates proposal is not presented as a substitute for disaster assistance. It supports the base local capacity needed to continue ordinary services, administer recovery properly and meet legitimate local recovery obligations.

Matched funding and major project delivery

The Shire is also progressing major projects supported, or proposed to be supported, by State or Commonwealth funding. This represents a strong return on local investment, but external funding is rarely cost-free. Funding agreements commonly require local co-contributions and significant Shire capacity for project development, procurement, contract administration, cashflow, reporting, commissioning and future operation and maintenance.

Subject to final budget adoption, project scope and funding agreements, the major matched-funding program includes:

- the Carnarvon Airport runway, taxiway and apron pavement upgrade, including works required to support unrestricted Q400 operations;
- the Coral Bay Airstrip runway and taxiway pavement upgrade;
- the Carnarvon Woolshed (Civic Centre) roof and emergency evacuation-centre upgrade; and
- planning and staged development for the relocation of the Coral Bay Waste Facility.

Rates are not the sole funding source for these projects. They support the local contribution and organisational capability needed to secure, manage and complete the investment, and to operate and maintain the resulting assets responsibly.

What the proposed revenue is intended to support

Rates contribute to the full range of Shire services and infrastructure, including local roads and drainage, parks and public spaces, libraries and recreation facilities, waste and environmental services, community safety, planning, economic development, emergency readiness and the operation of regional facilities.

For Carnarvon, these foundations are also part of community and economic resilience. Reliable roads and drainage, clean public spaces, functioning facilities, emergency readiness and visible project delivery help retain residents and workers, support local business and tourism, and build confidence in the district.

Other programs planned to continue or progress in 2026/27, subject to final budget adoption, include:

- verge and footpath upgrades, including works along North River Road, South River Road and Olivia Terrace;
- the Carnarvon Activation Project, including the Big Banana playground, public-realm improvements, signage and community art;
- the Fascine to Harbour Walkway project;
- Tramway Bridge rebuild and upgrade works; and
- the annual roads program, including renewal, maintenance and traffic-management improvements.

Together, these services and projects are supported by a broader funding mix that may include general rates, grants, reserves, fees, charges and other revenue.

Proposed differential rating schedule 2026/27

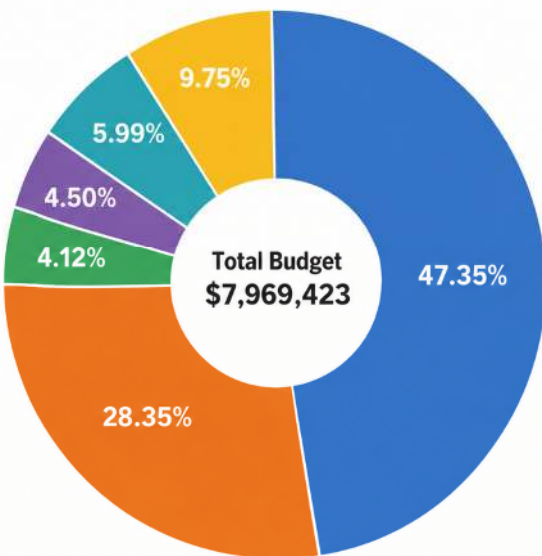
The following schedule reflects the current rates model. The final public notice, this statement and the Council resolution must contain matching rates and minimum payments. Estimated revenue may change if final valuations or property classifications change.

Rating category	Basis	Rate (cents/\$)	Minimum	Properties	Est. revenue
GRV Residential	GRV	11.7000	\$1,580	1,685	\$3,772,568
GRV Commercial/Industrial	GRV	12.6180	\$1,580	331	\$2,259,642
GRV Special Use/Rural	GRV	12.5920	\$1,580	107	\$328,735
UV Pastoral	UV	14.0150	\$1,580	40	\$473,030
UV Mining	UV	31.8400*	\$1,580	61	\$358,724
UV Intensive Horticulture	UV	2.9850	\$1,580	170	\$776,725
Estimated total general rates revenue					\$7,969,424

The schedule covers the six proposed differential general-rate categories. Any specified area rates, service charges, interim rates or concessions are dealt with separately.

Share of Overall Rates Budget by Category

Total Rates Budget: \$7,969,423



Category	Rates Budget	% of Total
GRV Residential	\$3,772,568	47.35%
GRV Comm/Ind	\$2,259,642	28.35%
GRV Special Use/Rural	\$328,735	4.12%
UV Mining	\$358,724	4.50%
UV Pastoral	\$473,030	5.99%
UV Intensive Horticulture	\$776,725	9.75%
Total	\$7,969,423	100.00%

Object and reason for the proposed minimum payment

Proposed minimum payment: \$1,580 for every differential rating category.

Object: To ensure every rateable property makes a reasonable minimum contribution toward the cost of maintaining the Shire's basic service capacity, facilities and civic functions, regardless of the property's valuation.

Reason: A significant component of local-government expenditure is fixed and is incurred for the benefit of the district as a whole. Maintaining basic capability across Carnarvon, Coral Bay and the wider district carries costs regardless of the value of an individual property or how frequently a particular service is used. A common minimum supports equity across categories, simplifies the structure and avoids properties with very low valuations making an unreasonably small contribution. The proposed \$1,580 minimum continues the aligned structure introduced in 2025/26 and represents an increase of \$126 a year for properties on the minimum.

Before publication and adoption, the rates model should be checked against the statutory limits applying to minimum payments in each valuation basis and differential category.

Objects and reasons for each proposed differential general rate

Each category is defined by the predominant use of the land. The object states what Council intends the category to achieve. The reason explains why the proposed rate differs from other rates within the same valuation basis.

GRV Residential

Basis GRV	Rate / minimum 11.7000 c/\$ \$1,580	Properties 1,685	Estimated revenue \$3,772,568
Category	GRV-valued land predominantly used for residential purposes.		
Object	To establish the principal GRV rate and raise an equitable contribution toward the broad range of local-government services and infrastructure available to residential properties and the wider community.		
Reason	Residential properties form the largest rating category and the core of the Shire's rate base. Households across Carnarvon and Coral Bay benefit from, or have access to, a wide range of local services, including local roads and drainage, parks and public spaces, libraries, recreation and community facilities, community safety, planning, environmental services and district-wide governance. The proposed rate is the reference point for the other GRV categories and is intended to protect the everyday services and local amenity that underpin liveability, community wellbeing and confidence in the district.		

GRV Residential properties are expected to raise 79.82% of total rate revenue

GRV Commercial/Industrial

Basis GRV	Rate / minimum 12.6180 c/\$ \$1,580	Properties 331	Estimated revenue \$2,259,642
Category	GRV-valued land predominantly used for commercial, town-centre or industrial purposes.		
Object	To raise an equitable contribution from commercial and industrial land toward the services and infrastructure that support business activity, employment and the operation of commercial areas.		
Reason	Commercial and industrial properties across Carnarvon and Coral Bay benefit from and can generate demand for road access, parking and public-realm infrastructure, town presentation, drainage, environmental health, planning and building services, visitor amenity and economic-development capability. The proposed rate is 7.85% higher than the GRV Residential rate, reflecting this service and infrastructure profile rather than any assumption about business profitability. Costs recovered through separate fees or charges are not intended to be counted again in setting the differential.		

GRV Commercial properties are expected to raise 28.38% of total rate revenue

GRV Special Use/Rural

Basis GRV	Rate / minimum 12.5920 c/\$ \$1,580	Properties 107	Estimated revenue \$328,735
Category	GRV-valued land on larger lots within the greater townsites that is predominantly used for special-use or minor rural pursuits, including the keeping of stock or horses.		
Object	To raise a fair contribution from GRV land with a special-use or minor-rural land-use profile while recognising that it remains connected to the urban and district service network.		
Reason	Properties in this category have a different use and development pattern from standard residential land. They benefit from road access, drainage, planning, emergency-management and district services, while their larger lots and rural-style uses require longer lengths of civil infrastructure per lot than smaller properties, and can create different access, amenity and regulatory requirements. The separate rate recognises those characteristics and maintains consistency between properties used for similar purposes.		

GRV Special Use/ rural properties are expected to raise 4.12% of total rate revenue

UV Pastoral

Basis UV	Rate / minimum 14.0150 c/\$ \$1,580	Properties 40	Estimated revenue \$473,030
Category	UV-valued land held or used predominantly for pastoral or other rural purposes, excluding land classified as intensive horticulture or mining.		
Object	To raise an equitable contribution from pastoral and rural land toward the rural access network, emergency-management capacity and district-wide local-government functions.		
Reason	Pastoral and rural properties are dispersed across a large district. They benefit from the extensive local road network, station access, emergency coordination, land-use planning, governance, advocacy and other district services. While service access differs from urban areas, maintaining roads, response capability and organisational capacity across long distances carries significant fixed and distance-related costs. This category provides the principal reference point for land used for pastoral and general rural purposes.		

UV Pastoral properties are expected to raise 5.99% of the total rate revenue

UV Mining

Basis UV	Rate / minimum 31.8400* c/\$ \$1,580	Properties 61	Estimated revenue \$358,724
Category	UV-valued land held or used for mining, exploration or prospecting purposes.		
Object	To raise an equitable contribution from mining-related land toward the infrastructure and local-government capacity required to support and respond to those activities.		
Reason	Mining, exploration and prospecting across remote parts of the district generate significant additional demand (including at times of the year when road damage can be heightened by adverse seasonal conditions) through heavy-vehicle movements, use of local and regional access roads, dispersed operations, emergency-management requirements and governance or compliance activity. The higher differential rate reflects that service and infrastructure profile and the relatively low valuation base of many mining interests. It is not based on an assumption about the profitability of individual operators, and costs recovered through agreements, conditions, fees or other charges should not be counted twice.		

UV Mining is expected to raise 4.5% of total rate revenue

UV Intensive Horticulture

Basis UV	Rate / minimum 2.9850 c/\$ \$1,580	Properties 170	Estimated revenue \$776,725
Category	UV-valued land predominantly used for intensive horticulture, including the production of fruit, vegetables, vines or flowers.		
Object	To raise an equitable contribution from intensive horticulture land toward the infrastructure, planning, emergency and district services that support the sector, while recognising the comparatively high valuations applied to this land.		
Reason	Intensive horticulture is central to Carnarvon's identity, economy and employment base. Horticultural properties benefit from and create demand for local roads, flood-mitigation and drainage infrastructure, emergency coordination, land-use planning, workforce-related facilitation and advocacy. Many properties are located on the Gascoyne River floodplain, where the Shire has responsibilities associated with levees, drainage and resilience. Because horticultural UVs are comparatively high, a lower rate in the dollar is proposed to avoid a disproportionate rates contribution while still recognising the sector's use of and benefit from Shire services. Under the current model, this category contributes 9.75% of estimated general rates revenue.		

UV Intensive Horticulture is expected to raise 9.75% of total rate revenue.

Fairness, affordability and accountability

The Shire's rating approach is guided by the principles of objectivity, fairness and equity, consistency, transparency and administrative efficiency. Similar properties used for the same purpose should be rated consistently, and each differential should be supported by a clear land-use rationale.

The proposal also recognises that affordability is real. The Shire is not suggesting that an increase is insignificant simply because it can be expressed as a weekly amount. The relevant test is whether the proposed yield is necessary, the rating burden is distributed fairly and the community can see what the additional revenue is intended to sustain.

The Shire also recognises that it cannot rate its way to prosperity. The proposed increase must sit alongside expenditure discipline, active pursuit of grants and commercial revenue, appropriate cost recovery, advocacy for State and Commonwealth investment and delivery against the projects and service levels adopted in the budget.

For transparency, the final budget will separately identify the temporary cost of Commissioner-led governance, special-election preparation and the transition to an elected Council; gross disaster-response and recovery expenditure, expected reimbursements and the net local contribution; and the Shire contribution, external funding and future operating responsibility attached to each major project.

In asking the community to contribute more, the Shire commits to:

- consider every submission before making the final rates decision;
- explain any material change between the advertised and adopted rating model;
- continue to pursue efficiencies, grants, commercial revenue and appropriate cost recovery;
- provide clear information about payment options and hardship assistance; and
- report publicly on financial performance, service delivery and the progress of adopted projects.

Consultation and next steps

The local public notice will state the proposed rates and minimum payment, the closing date for submissions and where the full proposal can be inspected. Electors and ratepayers will have at least 21 days to make a submission.

The Commissioner must consider all submissions before the rates may be imposed, with or without modification. Where Ministerial approval is required, that approval must be obtained before the relevant rate can be imposed.

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