



# Statement of Objects and Reasons 2026-27



## Objects and Reasons

In accordance with Sections 6.33 and 6.36 of the *Local Government Act 1995* and Council's Notice of intention to continue levying differential general rates and minimum payments for the 2026-27 financial year on rateable properties, the City hereby provides a Statement of Objects and Reasons for implementing differential general rates.

## Overall Rating Objective

Each financial year the City rates properties to enable the delivery of the planned range and standard of works and services.

Rates payable are determined by the method of valuation of the land, the valuation of the land and improvements, and the rate in the dollar applied to that valuation.

**Rates payable = (Valuation x rate in the dollar) - rate concession (if applicable)**

The valuation of land and improvements is the Gross Rental Value or GRV and is determined by the independent State government authority, the Valuer General of WA for all rateable and leviable properties in Western Australia.

The GRV is the total annual rent a property might reasonably be expected to earn each year if the property was rented out. This includes associated rates, taxes, charges, insurances, and other outgoings. For non-residential properties, GST is also included.

The Valuer General has undertaken a Gross Rental Value (GRV) revaluation of all properties within the City, effective for a three-year period commencing 1 July 2026. As a result, GRV property valuations will differ from those applied over the previous three years.

The rates in the dollar for each differential rating category are set to recover the net funding shortfall after considering all non-rate sources of revenue.

## Differential Rates and Minimum Charges

The City of Fremantle will apply differential general rates and minimum payments for the 2026-27 financial year as summarised in the following table:

Rate Category	Rate in the Dollar (\$)	Minimum Payment
Residential Improved	0.071562	\$1925
Residential Un-Hosted Short-Term Accommodation	0.140000	\$1925
Commercial and Industrial General	0.109900	\$1925
City Centre Commercial	0.109900	\$1925



Vacant Commercial and Industrial	0.143053	\$1925
Vacant Residential Land	0.143053	\$1925

## Why do we have differential rates?

To levy rates that are more equitable across different types of properties the City has implemented differential rates.

The City applies differential rates by considering the varying levels of services provided to different property types, the costs associated with servicing those properties, and the need to support or incentivise specific activities within the City.

## Objectives of Differential Rates

### Residential Improved

This rate applies to land that is used for residential purposes under the Local Planning Scheme No. 4 however may be in any zone and is valued on a Gross Rental Value basis (GRV). Residential incorporates residential single dwellings, duplex, multi-unit, strata and department of communities improved properties.

The **object** of this rate is to apply a base differential rate to properties used for residential purposes. It is the City's benchmark by which all other GRV rate properties area assessed.

The **reason** for this rate is to ensure that all ratepayers make a reasonable contribution to the cost of local government services and facilities available to residents. It is also lower than the vacant land differential rate as the City is encouraging owners of land holdings to develop that land.

### Residential Short-Term Accommodation

This rate applies to land zoned residential where a purpose for which the land is held or used is to offer home short stay accommodation.

This is applicable to owners that have an active un-hosted registration on 1 July on the WA Government Short-Term Rental Accommodation Register and applies for the full financial year.

The **object** of this rate is to ensure that the proportion of total rates derived from un-hosted short stay represents an equitable contribution towards City amenities and services supporting this activity.

The **reason** for this rate is to ensure the owners of residential land used for the commercial purpose of short stay accommodation contribute to costs associated with this activity. This includes economic development initiatives, marketing and maintaining essential public infrastructure such as beaches, parks and public amenities.



## Commercial and Industrial General

This rate applies to all commercial and industrial properties that are zoned under the Local Planning Scheme No. 4 for commercial and industrial purposes, and which are not specifically covered by any other differential rate and is valued on a Gross Rental Value basis (GRV).

The **object** of this rate is to ensure all commercial and industrial properties contribute fairly and equitably towards the higher levels of amenities and services supporting these properties.

The **reason** for this rate is to ensure that the amount of rates derived is sufficient to meet the specific demands placed on the City's infrastructure and services, recognising the higher service demands generated by commercial and industrial activity. This includes increased maintenance requirements and transport links.

## Vacant Commercial and Industrial

This rate applies to vacant land that is zoned under the Local Planning Scheme No. 4 for commercial and industrial purposes and is valued on a Gross Rental Value basis (GRV).

The **object** of this rate is to impose a higher differential rate for vacant land to encourage development within the City.

The **reason** for this rate is the city considers the development of vacant commercial and industrial land is in the best interests of the community, supporting the development of all properties to their full potential and stimulating economic growth.

## City Centre Commercial

This rate applies to all properties other than residential located within the boundaries of the City Centre zone and the abutting Metropolitan Regional reserves ([refer map](#)) being areas bounded by Parry Street, Norfolk Street and including those properties located in Fremantle Fishing Boat and Challenger Harbours and on Victoria Quay.

The **object** of this rate is to ensure all city centre properties contribute fairly and equitably towards the higher levels of amenities and services supporting these properties.

The **reason** for this rate is to ensure that a reasonable contribution is made towards the higher costs of services and facilities associated with these properties such as increased maintenance requirements and transport links.

## Vacant Residential Land

This rate applies to vacant land that is zoned under the Local Planning Scheme No. 4 for residential purposes.

The **object** of this differential rate is to impose a higher differential rate to encourage the development of vacant land into residential property.

The **reason** for this rate is that the development of vacant land is expected to deliver community benefits by enhancing the vibrancy of the City and neighbourhood centres and increasing the supply of housing.



## Minimum Rates

A minimum rate is applied to all the City's differential rate categories. The imposition of a minimum rate is in recognition that every property receives at least a minimum level of benefit from the amenities, infrastructure and services provided by the City.

## Specified Area Rates

A Specified Area Rate (SAR) is an additional rate that is applied separately to designated areas within the City. This covers additional maintenance or service costs for a higher standard above what would ordinarily be provided by the City.

The City of Fremantle will apply Specified Area Rates for the 2026-27 financial year as summarised in the following table:

Specified Area Rates	Rate in the Dollar (\$)
CBD Security Levy	0.0016052
Leighton Maintenance	0.0069447

### CBD Security Levy

To fund a safety and security strategy for a specified area of the Fremantle CBD that is applicable to all properties Bounded by Parry Street, South Terrace, Suffolk Street, Fishing Boat Harbour (West of Mews Road) and along the coast to Bathers Beach, Fleet Street, Phillimore Street and Elder Place.

### Leighton Maintenance

To fund the above normal costs associated with maintaining the higher standard of landscaping of the Leighton Residential Area and is applicable to all properties within the Leighton Beach area and that as this time are located on Port Beach Road, Leighton Beach Boulevard and Freeman Loop.

## Useful Links

[CBD Map](#)

[Leighton Map](#)



## Submissions

Section 6.36 of the *Local Government Act 1995* requires Council to invite submissions from electors and ratepayers in respect of the rates and minimum payments proposed for the differential general rating categories.

Any submissions by electors or ratepayers on the proposed rates and any related matters must be received in writing by the City, no later than 5pm, Monday 8 June 2026 to:

<b>By Mail</b> Chief Executive Officer City of Fremantle PO Box 807 Fremantle WA 6959	<b>In Person</b> Walyalup Civic Centre 151 High Street Fremantle WA 6160	<b>By Email</b> info@fremantle.wa.gov.au
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All submissions will be considered by Council prior to adoption of the budget for 2026-27.