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SHIRE OF SANDSTONE
SERVE THE PEOPLE

Rating Strategy

2026/2027

OBJECTIVES

The objectives of the Rating strategy are to:

- Provide a robust and considered framework for Rates categories, Minimum Rates, and Differential Rates that incorporates the principles of:
    - Objectivity;
    - Fairness and Equity;
    - Consistency;
    - Transparency; and
    - Administrative efficiency

- Ensure a stable rates revenue stream for the Shire from year to year;
- Minimise reliance on grants to meet commitments in the Community Plan; and
- Deliver a stable rating price path for our community.

ECONOMIC CONSIDERATIONS

In considering its rating strategy Council is cognisant of the effects of rate increases on all its ratepayers and their capacity to pay. Council is also cognisant of its obligation to ensure there is not an unreasonable reliance on external grants to subsidise its operations.

The current CPI in Western Australia is 4.9% (ABS Report 12 months to January 2026).
There was a minimum wage increase of 3.75% applicable from 1st July 2025 for non-contracted employees. It is most likely there will be a similar increase effective from 1st July 2026. There was a further increase in the Industry Allowance of $13 per week for employees under the Municipal Employees Award.

Sandstone is somewhat isolated from the mainstream being 724 kilometres from Perth, 500 kilometres from the nearest regional centre of Geraldton and it sits half way between the Goldfields Highway and the Great Northern Highway (150 kilometres each way). Sandstone is also located at the pinnacle of major roads from five directions and three of those roads are lengthy gravel roads requiring regular maintenance.

The current price of gold has resulted in a significant increase in mining related heavy road-train activity and heavy drilling machinery on Shire roads. Repairing the ongoing road damage has resulted in a rapid depletion of the shire's gravel and water resources which are not easily replaced. The Council is having to direct more than usual financial resources to its road network to the detriment of other important matters such as asset maintenance, community services and the administrative functions of the Shire.

The Council is struggling to keep up a balance of expenditures and the usual funding sources of rates and minimal increases in the Financial Assistance Grants have added little to the funds needed to maintain the road network in an acceptable condition.

Significant expenditure of funds, time and administrative costs are going to be required to acquire firstly the critical gravel and water resources themselves aside from the lengthy process of gaining approvals to actually develop the sites.

Management is aware of the cost of employment in Sandstone, and it is a balance between sufficient employees to maintain the road network but also keeping employee numbers to a minimum to contain costs. Being isolated the Sandstone Council offers more than reasonable payments to attract suitable employees, all adding the cost of services to the broader community.

Sandstone has a small road works crew and a contracted maintenance grader trying to maintain 891 kilometres of gravel roads. These roads have for some time been overworked due to mining, drilling and associated uses of heavy vehicles. The difficulties of maintaining this large network of roads is exacerbated by the scarcity of gravel and water sources.

Council has historically been reluctant to impose excessive rate increases on the ratepayers and has for some years kept increases below the CPI which has had a cumulative effect on reducing income. The lower income was exacerbated by a zero increase in 2020/2021 and following that, rate increases annually were at 2.5% which has been below the CPI.

During that time, with careful management, Council was able to maintain a status quo on asset preservation and contained expenditure on new assets such as new housing though accommodation and developments (such as new accommodation units in the Shire's Caravan Park) were funded to a large extend by the federal LRCI Program.

A significant sum of LRCIP funds were expended on roads but with the cessation of the LRCI program this source of funding is finished.

Summary – Significant Issues

- Awareness of increasing employment costs of wages, allowances and conditions.
- Increasing costs of compliances, financial, administrative and social reporting, auditing, new services required by government (e.g. Health Plans).
- Increasing transport cost of goods and services.
- Increasing costs of maintaining building and other community assets.
- Increased costs for the purchase and operating of machinery and plant.
- Substantial expenditure required to identify, acquire approvals and develop new water and gravel sources for road maintenance and repair.
- Increased road train and general mining related activity damaging numerous Shire roads.
- Federal Financial Assistance Grants not keeping pace with overall cost increases
- The Shire works a balance between reasonable rate increases without an over-reliance on various grants.
- Council is aware of the growing disparity between UV Rural and UV Mining rates and accordingly recommends a rate increase for UV Rural Properties of 5% and UV Mining and GRV of 3.5%.

The data provided in this report does not reflect increases or decreases in property valuations. Further to that the budget for Financial Assistance Grants is an estimate based on previous Financial Assistance Grants and at this time the 2026/2027 funding is not known.

WHAT ARE RATES?

Rates are levied on all rateable properties within the boundaries of the Shire of Sandstone in accordance with the *Local Government Act 1995*. Rates are a tax, not a fee-for-service; and as such they need to be set in accordance with the principles of taxation – equity, efficiency, simplicity, sustainability and policy consistency.

The overall objective of the proposed rate in the 2026/2027 budget is to provide some of the current net funding requirements for the Shire's services and activities. It is also required to enable the Shire to retain some funds for future capital requirements of the Shire, after considering all other forms of revenue.

The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly equitable rating system for all properties, in all areas, is a difficult task if it is based on the property valuations alone. For this reason, there are refinement options made available, such as differential rating, which the Shire of Sandstone has elected to use.

In Western Australia, land is valued by Landgate Valuation Services (Valuer-General's Office – a state government agency) and those values are forwarded to each Local Government.

Two types of values are calculated - Gross Rental Value (GRV) which generally applies for urban areas; and Unimproved Value (UV) which generally applies to rural land.

WHAT DO RATES PAY FOR?

In 2025/2026 rates revenue represented approximately 38% of the Shire's operating income. The Council has a substantial degree of control in expending these funds. Reliability and control are important considerations in terms of the Shire's financial flexibility.

General rates revenue supports a broad range of local government infrastructure and services, including building control; animal control; community services; active and passive open space; roads, footpaths and drainage; libraries; sport & recreation; community events; town planning; governance and corporate support; cemeteries; emergency management; public conveniences; economic development; health services;and tourism and regional promotion.

TOTAL OPERATING REVENUE – ALL SOURCES

	2026/27 Estimate	*2025/26 Budget*	*2024/25 Actual*	*2023/24 Actual*	*2022/23 Actual*	*2021/22 Actual*
Rates	1,875,454	1,812,033	1,761,308	1,485,340	1,329,584	1,189,230
Grants	1,700,000	1,671,405	2,040,097	2,597,256	3,305,360	2,869,958
Fees & Charges	250,000	304,050	218,332	326,152	425,915	560,955
Interest	250,000	328,000	369,522	199,597	111,638	19,815
Other	680,000	612,900	820,553	820,553	785,730	781,388
TOTAL	**4,755,454**	**4,728,388**	**5,063,569**	**5,470,435**	**5,958,227**	**5,421,346**

GENERAL PURPOSE GRANTS

Local Government Financial Assistance Grants are funded through Federal taxation receipts collected by the Commonwealth Government &distributed among all local governments in Australia each year. The funding is allocated based on horizontal equalisation to ensure that each local government in each State is able to function at a standard not lower than the average standard of other local governments in that state.

All local governments are entitled to receive at least the minimum grant. That minimum grant cannot be less than 30 per cent of what the local government would receive if all grants were allocated on a per capita basis. The Grants Commission calculates the equalisation requirement of each local government by assessing the revenue raising capacity and expenditure need of each local government.

The equalisation requirement is the difference between the assessed expenditure needs and the assessed revenue raising capacity of each local government.

The Shire of Sandstone's total general-purpose grant for 2026/2027 is expected to be circa $2,900,000 including an untied road grant. If past practice continues a percentage of the 2026/2027 general purpose grant will be pre-paid late June of the 2025/2026 financial year.

CURRENT RATING CATEGORIES

The Shire of Sandstone has adopted the following rating categories when adopting the 2026/2027 Budget:

GRV – Gross Rental Value

GRV Townsites

This rating category applies to properties located within the town site boundaries that are used for singular and multi-dwellings and are zoned Residential/Townsite under the Town Planning Scheme. This category is considered by Council to be the base rate by which all other GRV rated properties are assessed.

GRV Transient Workers Facilities

This rating category covers mining leases and town lots that have residential improvements on the land and are used by mining companies to provide worker accommodation and are located within the Shire boundaries. The rate reflects the cost of servicing mining activity and various ad hoc services including road infrastructure and other amenities utilised by mine employees and contractors over and above what could be considered normal use when compared to the general population in the townsite.

UV – Unimproved Value

UV Pastoral

This category is applied to all rural properties which do not fall into one of the other categories and is the base for computing the rate in the dollar for Unimproved Value properties.

UV Mining

The Mining UV rate for leases and licenses is levied on some properties with a lease or license on unimproved mining land, inclusive of land held for speculative purposes. This income is being increasingly restricted as mining companies are now using non-rateable Miscellaneous leases for infrastructure but still using local government infrastructure and services.

Minimum Rates

The Shire imposes a minimum rate payment that applies to all rateable properties within the boundaries of the shire. The rate is imposed to discourage holding undeveloped land within the Shire, which reduces the amenity of the area, and thereby encourages early development.

DIFFERENTIAL RATES

A differential rate occurs when categories of property within the UV or GRV land valuation methods are rated differently. The imposition of differential rates represents a policy decision of the Council to redistribute the rates burden in its local government area by imposing a higher rate on some ratepayers by comparison to others. In doing so, the Shire gives consideration to the principles of objectivity; fairness; consistency; transparency; and administrative efficiency.

The Shire will also give appropriate consideration to the capacity of particular categories of ratepayers to pay.

As property rates are a form of value or wealth tax, it is not possible to ensure equity between individual property owners, since not all properties will be assessed at the same value. Therefore, our objective is to endeavour to ensure that each rating category bears its fair and reasonable share of the cost of providing local government services.

APPROVAL OF DIFFERENTIAL RATES

The current framework for rates at the Shire of Sandstone necessitates the Shire to seek Ministerial approval each year, prior to the making of the rates. Approval is necessary because the GRV Townsite residential and GRV Townsite Transient Workers Accommodation and UV Mining and UV Pastoral categories are more than twice the lowest rate.

LONG TERM FINANCIAL PLAN

The Sandstone Shire Council reviewed the Long-Term Financial Plan in April 2026, which has been considered in preparing this document. In particular Council notes that the total Revenue proposed in the budget expectations for the year 2026/2027 are far less than what's estimated in this financial year. The Shire reviews the Long-Term Financial Plan annually pre-budget.

Rates Levied Previous Years

	Proposed 2026/2027		Budgeted 25/26		Actual 24/25		Actual 23/24		Actual 22/23		Actual 21/22	
	RID/Min	**Revenue**	**RID/Min**	**Revenue**	**RID/Min**	**Revenue**	**RID/Min**	**Revenue**	**RID/Min**	**Revenue**	**RID/Min**	**Revenue**
Gross Rental Values												
Townsite	7.545	19,821	7.29	19,151	7.0812	17,732	6.9085	17,299	6.74	17,040	6.58	14,403
Transient Workers	42.50	28,177	41.062	27,224	40.006	26,521	39.0781	25,908	38.125	25,277	37.195	26,788
Minimums												
Townsite	210	7,140	200	6,800	200	6,800	200	6,800	200	6,800	200	6,800
Transient Workers	210	0	200	0	200	0	200	0	200	0	200	0
Unimproved Values												
Rural	7.060	46,392	6.720	44,824	6.5600	47,109	6.40	43,951	6.24	42,792	6.09	36,016
Mining	30.072	1,768,732	29.682	1,708,920	28.958	1,633,946	28.2521	1,377,194	27.563	1,228,326	26.891	1,102,594
Minimums												
Rural	420	2,520	400	2,400	400	2,400	400	2,400	355	2,130	345	2,070
Mining	414	26,082	400	25,200	400	30,000	400	26,800	355	22,720	345	20,010
Totals		1,898,864		1,823,383		1,762,107		1,500,352		1,345,085		1,208,681

(@ a 5% increase on Pastoral UV and a 3.5% increase on other categories results in an increased income of **$75,481 (proposed vs budgete**d) not allowing for any increase or decrease in total pastoral and mining valuations)

VALUATIONS

In Western Australia land is valued by Landgate Valuation Services (of the WA Valuer Generals Officer) and those values are forwarded to each Local Government for rating purposes.

Two types of values are calculated - Gross Rental Value (GRV) which generally applies for urban areas; and Unimproved Value (UV) which generally applies for rural land. GRV general valuations are currently carried out on a triennial basis in the Perth metropolitan area and every 5 years in country areas of the State. UV's are determined annually.

The most recent revaluation of GRV rated properties in Sandstone applies from 1 July 2022.

GRV means the gross annual rental that the land might reasonably be expected to realise if let on a tenancy from year to year upon condition that the landlord was liable for all rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the value of the land. The GRV normally represents the annual equivalent of a fair weekly rental. For instance, a GRV of $10,400 represents a weekly rental of $200.

Proposed Rating Strategy – 2026/2027

GRV Townsite

The Residential/Industrial GRV rate applies to all properties within the townsite and includes all GRV properties that do not fall within the category of Transient Workers Facilities.

Houses within the townsite of Sandstone are generally not large, not of brick or stone structure, and the majority of owners are elderly. This category of rates attracts a small percentage of the Shire's rate income, but any substantial increases could be detrimental to the many pensioner residents with very little return of revenue to the shire.

The residential minimum rate has remained at $200 for more than 4 years and in 2025, Council expressed a desire to raise this rate in 2026/7 in the matter of equity.

The rate in 2025/2026 was increased by 2.5% to 0.0729 cents in the dollar with a minimum rate of $200.

Recommendation:
That the rate in the dollar for 2026/2027 for Residential GRV be increased by 3.5% to .07545 cents in the dollar with a minimum rate of $210.

GRV Transient Workers Facilities

The GRV rate is levied on properties with Workers Quarters/Mining and are areas of high activity and heavily affecting the Shire's infrastructure. These properties also consume a more than average area of available land in the Sandstone townsite and the income that comes to the Shire from these properties in not significant.

The object of this proposed rate in the dollar is to reflect the ability of the industries to pay, to ensure they contribute equitably to the Shire's income and to the Shire's additional expenditure that is required due to the activities of these rate payers.

Council has previously applied a differential rate to Commercial properties by discounting the rate in the dollar applied to residential/industrial properties by approximately 30% to ensure commercial properties operating in the Shire remain competitive and viable.

The rate in 2025/2026 was 0.41062 cents in the dollar with a minimum rate of $200.

Recommendation:
That the rate for 2026/2027 for Transient Workers Facilities GRV properties be increased by 3.5% to 0.4250 cents in the dollar with a minimum rate of $210.

UV Pastoral

This rating category applies to all pastoral leases and the proposed rate is comparatively lower when compared to the mining / mining tenement and exploration / prospecting categories on the basis that the pastoral industry has a far lesser impact or requirement on the Shire services and infrastructure.
However, there is a growing disparity between Pastoral UV and Mining UV ratepayers and to commence a process of reducing this disparity it's recommended that the rate increase on Pastoral UV be greater than that proposed for mining UV, being 5%.

Further to that some pastoral properties are earning significant income from tee farming which does not reflect in the property revaluations carried out by Landgate.

Overall this additional increase is minimal and results in circa $1,500 overall increase in total Pastoral UV income.
The object of the proposed rate in the dollar is to ensure the proportion of rates raised is increased in proportion to the income sourced from the pastoral industry.

The rate in 2025/2026 was 0.672 cents in the dollar with a minimum of $400.

Recommendation:
That the rate in the dollar for 2026/2027 for Pastoral UV be increased by 5% to 0.07060 cents in the dollar with a minimum of $420.

UV Mining

The Mining UV rate is levied on properties with a prospecting, exploration and/or UV mining use. Local government is prevented from raising rates on Miscellaneous Leases which are becoming more common as the mining industry uses these leases for infrastructure development and so avoid paying rates.
This does not lessen the damage caused to Shire roads, drainage and other infrastructure that the Shire at present, is struggling to maintain. Similarly, the constant need to repair roads is depleting the shire's supply of gravel and water resulting in substantial additional costs to the Shire to acquire new gravel and water sources.

Mining UV is rated more than twice that of Rural UV because of the greater impact on road infrastructure by way of heavy haulage trucks as well as ancillary use of the Shires services andfacilities. Sandstone like other rural local governments expends substantial sums of its funding on repairing roads damaged through mining activities.

The differential rate in the dollar is required to generate revenue to support the large investment that the Shire of Sandstone makes in road and road drainage infrastructure to service remote mining activities on rural roads throughout the Shire and reflects the extra maintenance, impacts and frequency that is required to ensure a minimum level of serviceability above that normally required to meet the needs of pastoralists.

The rate in 2025/2026 was 0.29682 cents in the dollar with a minimum of $400.

Recommendation:
That the rate in the dollar for Mining UV for 2026/2027 be increased by 3.5% to 0.30720 cents in the dollar with a minimum of $414.

LOCAL GOVERNMENT ACT RATING PROVISIONS

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

6.32. Rates and service charges

(1) When adopting the annual budget, a local government —

(a) in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either —

(i) uniformly; or

(ii) differentially; and

(b) may impose* on rateable land within its district —

(i) a specified area rate; or

(ii) a minimum payment; and

(c) may impose* a service charge on land within its district.

** Absolute majority required.*

(2) Where a local government resolves to impose a rate it is required to —

(a) set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and

(b) set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.

(3) A local government —

(a) may, at any time after the imposition of rates in a financial year, in an emergency, impose* a supplementary general rate or specified area rate for the unexpired portion of the current financial year; and

(b) is to, after a court or the State Administrative Tribunal has quashed a general valuation, rate or service charge, impose* a new general rate, specified area rate or service charge.

** Absolute majority required.*

(4) Where a court or the State Administrative Tribunal has quashed a general valuation the quashing does not render invalid a rate imposed on the basis of the quashed valuation in respect of any financial year prior to the financial year in which the proceedings which resulted in that quashing were commenced.

(5)

6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —

(a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or

(b) a purpose for which the land is held or used as determined by the local government; or

(c) whether or not the land is vacant land; or

(d) any other characteristic or combination of characteristics prescribed.

(2) Regulations may —

(a) specify the characteristics under subsection (1) which a local government is to use; or

(b) limit the characteristics under subsection (1) which a local government is permitted to use.

(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

(5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate

6.46. Discounts

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may, when imposing a rate or service charge, resolve* to grant a discount or other incentive for the early payment of any rate or service charge.

** Absolute majority required.*

6.47. Concessions

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive* a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.

** Absolute majority required.*

6.35. Minimum payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum

may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —

(a) 50% of the total number of separately rated properties in the district; or

(b) 50% of the number of properties in each category referred to in subsection (6),

on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of —

(a) the number of separately rated properties in the district; or

(b) the number of properties in each category referred to in subsection (6),

unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

(6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —

(a) to land rated on gross rental value; and

(b) to land rated on unimproved value; and

(c) to each differential rating category where a differential general rate is imposed.

Differential Rates 2026/2027

Objects and Reasons

OBJECTS OF AND REASONS FOR PROPOSED DIFFERENTIAL RATES

For the year ending 30 June 2026

Introduction

The following Objects and Reasons are provided in accordance with Section 6.36 of the Local Government Act 1995 (the Act) and Council's "Notice of Intention to Levy Differential Rates" to advertise the Objects and Reasons for the differential rates as part of the 2026/2027 Budget process on various categories of properties within the Shire.

Rates

Rates are levied on all rateable properties within the boundaries of the Shire of Sandstone in accordance with the Local Government Act 1995. The overall objective for the raising of the proposed rates and charges in the 2026/2027 budget is to provide for the funding requirements of the Shire's services, activities, financing costs and the current and future capital requirements of the Shire in line with the Ten-Year Long-Term Financial Plan. The application of differential rating maintains equity in the rating of properties across the Shire.

Council will implement the following differential rating categories:

- Gross Rental Value Residential
- Gross Rental Value Transient Worker Facilities
- Unimproved Values Pastoral
- Unimproved Values Mining

Valuations

Landgate is the statutory authority responsible for the valuation process in accordance with the provisions of the *Local Government Act 1995* and the *Valuation of Land Act 1978* (as amended). The rates in the dollar (RID) will be based on the general valuations as supplied by the Valuer General in respect to Gross Rental Values (GRV) and Unimproved Values (UV) effective from 1 July 2022 and as amended by interim valuations received annually after this date.

Gross Rental Valuations (GRV)

GRV properties are reviewed every 5 years as per the Valuation of Land Act 1978 (as amended), with the latest review being effective 1 July 2022.

Unimproved (UV)

UV properties are reviewed on an annual basis, effective 1 July each year. The UV valuation schedules are not advised until close to the end of the financial year and calculating the effect of the rates is estimated based on past experiences.

OBJECTS OF AND REASONS FOR PROPOSED DIFFERENTIAL RATES

For the year ending 30 June 2026

Objections to Valuations

There are provisions for ratepayers to lodge an objection to valuations within 60 days of the issue of the rate notice. Any objection to a valuation should be on the grounds that the valuation is unjust or incorrect and not simply based on the quantum of rates payable.

Further information and brochures on objection procedures are available from Landgate by visiting their website at www.landgate.wa.gov.au Ratepayers are also encouraged to contact the Shire Office to discuss their valuation concerns prior to lodging any formal objection.

Rating Yield Objective

In setting the rate in the dollar for each category, Council has taken into consideration the following factors:

Main Source of Revenue

Rates are the main source of untied revenue for the Shire of Sandstone. Given that Grants, Fees and Charges, Investment Earnings and Other Revenue sources are limited it is importantthe current level of rates revenue is maintained if Council is to continue service deliveryand re-new its asset base. The Shire seeks to impose rates for each category in an equitable and principled manner.
Council is also cognisant of its obligation to raise sufficient rate income and not rely on external grants to fund its operations.

Asset Management

The Sandstone Shire covers almost 33,000 square kilometres and maintains approximately 11 kilometres of ageing sealed roads and 891 kilometres of unsealed roads. The unsealed roads require additional maintenance because of increasing road traffic due to a significant increase in mining and mining related activities and to a lesser extent, increased tourism.

The Shire also services roads that are important and busy through routes to more distant locations such as Wiluna, Meekatharra, Leonora, Menzies and Paynes Find on the Great Northern Highway.

The Shire also owns numerous public buildings as below:
Administration Building;
Town Hall;
Bowls/Tennis facility;
Recreation Centre;
Public Toilets;
Shire Depot;
Staff Housing;
Medical Centre;

Museum;
Caravan Park; and
numerous parks, sporting and community facilities. Many of these facilities require substantial upkeep due to their age. The Shire's total assets are circa $73.3 million.

Isolation and increasing costs

The CPI in Western Australia is 4.9% (ABS Report 12 months to January 2026). However, the CPI in Perth has little relevance to communities outside the metropolitan area as transport costs alone add a substantial value on all materials and services, more so in times of high fuel costs.

It should be noted that Sandstone is affected more than other local governments as Sandstone is located 150 kms from its nearest neighbour, the small town of Mount Magnet, 500kms from the regional centre of Geraldton and 740 kms from Perth.

Every service the shire provides, every purchase of materials or external services the Shire makes has increased considerably in cost in past few years.
There are several reasons;

- Excessive travel and/or accommodation costs for employees working on roads at great distances from the Sandstone townsite;
- a substantial increase in freight costs;
- the difficulty in acquiring competitive external services;
- the reluctance of service providers to come to the Shire because of excessive available work and easy profits they can make in Geraldton and Perth;
- competition with mining companies for services.

It's not uncommon for the Shire to pay $1,200 to an external service provider just to travel to Sandstone to do work for the Shire and/or its residents.

To attract employees to the Shire we must pay significantly higher rates of pay to attract people to the Shire. Again, this is exacerbated by having to compete with the high salaries paid by the mining companies.

2026/2027 Budget Proposal

The following are the proposed Differential General Rates and Minimum Payments for the Shire of Sandstone for the 2026/2027 financial year, with a 3.5% rate in the dollar, to be effective from 1 July 2026:

Land Category	Proposed Rate in the Dollar	Minimum Charge
GRV Townsite	$0.07545	$210
GRV Transient	$0.42500	$210
UV Pastoral	$0.07060	$414
UV Mining	$0.30720	$414

Rate comparison with similar neighbouring local governments

	Sandstone Proposed 2026/2027	Cue 2025/2026	Mt Magnet 2025/2026	Yalgoo 2025/2026
Land Category	**Rate -cents in $**	**Rate -cents in $**	**Rate -cents in $**	**Rate -cents in $**
GRV Townsite	0.07545	0.112900	0.103445	0.087121
GRV Transient Facilities	0.42500	0.169350	0.183168	0.330944
UV Pastoral	0.07060	0.088910	0.0709	0.076843
UV Mining	0.30720	0.242390	0.35117	0.355968
Minimum Rates	$414	**$515**		$300

It should be noted that Cue, Mt Magnet and Yalgoo have additional categories of rates that Sandstone does not.

2025/2026

	Sandstone	**Cue**	**Mt Magnet**	**Yalgoo**
Rateable Value	$6.74 M	$13.36 M	$12.27 M	$11.29 M
Rate Income	$1.6 M	$2.94 M	$2.8 M 8	$3.4 M
Asset Value	$73.3 M	$90.7 M	$95.0 M	$94.5 M

The above percentages indicate the percentage of rate income compared to the Asset Value indicating Sandstone Shire raises a lesser percentage of rates than its neighbours to maintain its asset base.

GRV – Gross Rental Value

Townsite GRV

The Residential GRV rate category applies to all properties zoned residential and includes all GRV properties that do not fall within the categories of Transient Workers Facilities.

OBJECT: The object of this differential is to ensure that all residential ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents. This differential rate is to be the base rate by which all other GRV rated properties are assessed.

REASONS (why the rate differs from other categories): Revenue derived from this category assists in funding the service levels expected of the community, achieving the Strategic Community Plan upholding the minimum standards of performance to which the Council will be measured by the State Government and others.

The proposed rate of 0.07545 cents in the dollar represents a 3.5% increase on those imposed in 2025/2026.

Transient Workers Facilities GRV

The Transient Workers Facilities GRV rate category is levied on properties with a Transient Workers Facilities land use.

OBJECT: The object of this differential rate is to apply rates to all income producing facilities, raising revenue to fund costs associated with the service provided to these properties.

REASONS (why the rate differs from other categories): Additional costs associated with servicing commercial activity including car parking, landscaping and other amenities. Other costs associated with tourism, recreation facilities and economic development activities have a benefit to these ratepayers. This category is a small source of income which barely reflects the cost of extra service provisions.

The proposed rate of 0.4250 cents in the dollar represents a 3.5% increase on those imposed in 2025/2026.

UV – Unimproved Value

Pastoral UV

The Pastoral UV rate category is applied to all rural properties which do not fall into one of the other categories. The valuations of UV properties are reviewed on an annual basis by Landgate.

OBJECT: The object of this differential rate is to be the base rate by which all other UV rated properties are assessed.

REASONS (why the rate differs from other categories): Rates revenue to provide for rural infrastructure and services in addition to supporting the Town services, facilities and infrastructure which are available to be accessed by the properties in this category. The Shire has a continuing focus on development and diversification of agricultural properties in the region, encouraging development of tourism and land care activities to further diversify the local economy from the effects of the downturns associated with mining activity.

The proposed rate of 0.07060 cents in the dollar represents a 5.0% increase on those imposed in 2025/2026.

Mining UV

The Mining UV rate category is levied on properties with a prospecting, exploration and mining land use.

OBJECT: The object of this differential rate is to raise additional revenue to fund cost impacts to the Shire from the mining sector.

REASONS (why the rate differs from other categories): Supports the large investment that the Shire of Sandstone makes in road and road drainage infrastructure to service remote mining activities on rural roads throughout the municipality and reflects the extra maintenance, impacts and frequency that is required to ensure a minimum level of serviceability above that normally required to meet the needs of the rural sector (Rural UV). There are additional costs associatedwith monitoring of environmental impacts of clearing, noise, dust and smell.

The proposed rate of 0.30720 cents in the dollar represents a 3.5% increase on those imposed in 2025/2026.

Minimum Rates

The setting of minimum rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount.

A minimum rate of $210 has been set for all GRV rating categories.

The Shire imposes one general minimum rate payment that applies to all GRV rateable properties within the boundaries of the town site. The rate is imposed to discourage holding undeveloped land within the Shire, which reduces the amenity of the area, and thereby encourages early development.

The UV minimum rate of $414 is applied to ensure that the rate burden is distributed equitably between all property owners. UV Mining and Pastoral fall under this category.

Submissions

Submissions addressed to the Chief Executive Officer, Shire of Sandstone, 23 Hack Street, Sandstone 6639 by electors or ratepayers in respect of the Intention to Levy Differential Rates maybe made to Council within twenty-one (21) days of this notice and close 4pm on Tuesday 27 May 2025.