

CITY OF KARRATHA  
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22 MAY 2018

Action By: Sheridan Dryden  
File No: RV.4  
Document ID: 102184915  
CC: Sue O'Toole  
Ray McDermott  
Adrian D'Aunha

65 Burnell Street  
Russell Lea NSW 2046  
16 May 2018

Mr. Ray McDermott  
City of Karratha  
Manager Financial Services /CFO  
Welcome Road, Karratha WA 6714

157/26 Sharpe Avenue Pegs Creek WA 6714  
LOT: SL 157 Re: Proposed Differential Rates Model  
"Differential Rates"

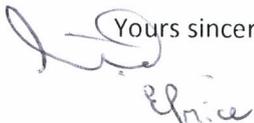
Dear Mr. McDermott,

We disagree with the proposed rate increase of 10.3466% ( $2418.71 - 2191.92 = 226.79$  divided by  $2191.92 \times 100\% = 10.3466\%$ .), as our rental income has decreased by more than 50%. We find it hard for the justification of the proposed rate increase.

Actually our rates should be decreased considering the significant loss in the property valuation and the significant decrease of weekly rental income.

Please consider our view.

Yours sincerely,



Philip and Estrella Price

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16 MAY 2018

BY: .....

PC Price  
65 Burnell Street  
RUSSELL LEA NSW 2046

Dear Property Owner

### Advertised Differential Rates Model 2018/19

At the Special Council Meeting held on 7 May 2018 Council resolved to advertise the proposed 2018/19 differential rates and minimum payment incorporating a 2% predominant rates increase.

Council regularly reviews the proportion of the rate income coming from each category in order to ensure that all property owners make a fair contribution to rates. The proposed differential rates model seeks to maintain a consistent percentage of the total rate yield from each differential rating category to 2017/18. The rate in the dollar is calculated by dividing the required rate yield by the total GRV for all properties in the rating category.

All GRV rated properties are revalued by the Valuer General's office every 3 years, with 2018/19 being a general revaluation year for the City of Karratha. The total GRV across the Residential differential rating category has decreased by 42.3%, requiring a commensurate increase in the rate in the dollar in order to maintain the same percentage of rating yield.

Given disparate movement in individual property valuations within and across rating categories a 2% predominant rates increase does not translate to a 2% increase in rates payable by all properties.

Where an individual property within a category has experienced a decrease in valuation of more than the average, that property would also see a decrease in rates payable. Conversely, where an individual property has experienced a decrease in valuation of less than the average, or an increase in valuation, that property would see an increase in rates payable.

Based on the property's indicative valuation for 2018/19, the following table illustrates the differential rates proposed for the 2018/19 financial year:

<b>Rates Assessment:</b>	A90421		
<b>Property Owner:</b>	PC Price		
<b>Location:</b>	Unit 157 26 SHARPE AVENUE KARRATHA WA 6714		
<b>Proposed Rate Category:</b>	RESIDENTIAL		
<b>Rate in the Dollar: (2017/18)</b>	0.065863	<b>Proposed Rate in the Dollar: (2018/19)</b>	0.116284
<b>Current Valuation:</b>	33,280	<b>Indicative Valuation:</b>	20,800
<b>Rates Levied: (2017/18)</b>	2,191.92	<b>Proposed Rates: (2018/19)</b>	2,418.71

The valuation for your property has decreased by 37.5%. The proposed increase in rates payable above the predominant increase of 2% is due to your property's valuation decreasing by less than the average property in the same rating category.

Council has adopted a number of efficiency measures and service improvements in determining the proposed rates for advertising. These efficiency measures as well as full details of the proposed differential rates model and Council's Objects and Reasons for Proposed Differential Rates for the Year Ending 30 June 2019 can be found on Council's website at <http://karratha.wa.gov.au/differential-rates-objectives>.

Council has considered the Key Values contained within the Rating Policy Differential Rates (s.6.33) March 2016 released by the Department of Local Government, Sport and Cultural Industries, being:

- Objectivity
- Fairness and Equity
- Consistency
- Transparency and administrative efficiency

A copy of the policy can be obtained from <https://www.dlgsc.wa.gov.au/resources/publications/Pages/ViewPublication.aspx?DocID=558>.

Council invites submissions from property owners regarding the proposed differential rates model. All comments are required to be submitted in writing and clearly marked "Differential Rates" and must be received at this office no later than 4pm 30 May 2018. Any submissions received by the due date will be presented to Council for due consideration.

If you require any further information regarding this matter, please contact the City of Karratha Rates Services Team on (08) 9186 8532.

Yours faithfully



Ray McDermott  
MANAGER FINANCIAL SERVICES / CFO

9 May 2018