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CITY OF KARRATHA
RECEIVED

30 MAY 2018

Action By: *Shenidan Dryden*
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CC: *Sue O'Toole; Adrian Dunbar; Ray McDermott*

**Re: Council endorsed proposed rate rise of 2 per cent across the property categories
Community consultation before final decision.**

We write to implore the City of Karratha elected members not to proceed with a proposed 2 per cent residential rate increase. Should our elected members take the time to personally consult with their electors, they would establish as is apparent to most that the majority of residents of the City are already in a situation of financial hardship or very close to being so. An extra \$48 per annum will, in most instances tip the scale and see more residents surrender their properties to the bank or sell-up and wear the deficits as best they can, be it at the generosity of a waiver by the bank or voluntary bankruptcy. Whatever the case, most will leave town.

City of Karratha Mayor Peter Long said "*the proposed rates increase would not overburden ratepayers*" – not so, it will be "the straw that breaks the camel's back" for most

Councillors Evette Smeathers and Daniel Scott said "*the City was providing a high standard of services and amenities for the population base and the proposed rates model would allow that to continue*". One must ask, what is the point of the City continuing to do this if our population decrease is such that there are few left to enjoy those amenities, or if the scale of financial hardship continues to rise means that no one can afford to enjoy those amenities because a) they can't afford to do so or b) their permanently at work trying to pay their mortgage and associated residential services. Think again Councillors, before the next local government elections.

The latest residential price data shows a continued slowing of growth which reflects the end of the housing boom. Residents in the City of Karratha who purchased property and took out mortgages during the housing boom are now coping with mortgages at an average of \$850,000 when their property is now worth, at best, \$350,000. Property owners renting out properties are no longer covering their mortgage repayments via the rental component and as a result many have had to undertake two jobs to pay their mortgage/s. Surely Council only has to look at their own rates payment records to know that more and more people are struggling to pay them. An increase in rates will see an increase in the level of non-payment of rates, hence negating "*the continuation of a high standard of services and amenities.*"

The RBA (Reserve Bank of Australia – Feb 2018) has expressed concern at 1) the residential price data fall of 2.4% in the last 12 months, 2) the level of housing finance growth was 1.5%