

Ray Mc Dermott

MANAGER FINANCIAL SERVICES/CFO

CITY OF KARRATHA

PO Box 219

KARRATHA WA, 6714

CITY OF KARRATHA
RECEIVED

22 MAY 2018

Action By: *Shendun Dryden*
File No: *Rv.4*
Document ID: *1CR184911*
CC: *Sue O'Keefe*
Ray McDermott
Adrian O'Keefe

Dear Sir,

Re your letter dated 9 May 2018 regarding 'Advertised Differential Rates Model 2018' and the consequential impact on our property at 3 Hedland Place, Karratha.

We have read with interest your detailed justification of the proposed rate increase of 22 % on our property, and concede that it has been explained most succinctly, with all the stated valuations therein no doubt correct. With respect, however, we do not find this justification to be an acceptable reason for such a large rate increase.

Economic modelling has its place no doubt, and can be a very useful contribution to discussions of this sort, but in the end it is the final decision that is most important, which in this instance, is the inordinately high increase to the rates on our own particular property.

The CPI, as of March 2018, is 1.9 %, which would perhaps be an acceptable increase to our rates, in the present economic climate. Instead, and though you concede that the valuation for our property has in fact **decreased** by 6 %, you have – no doubt because quite a number of properties in the Commercial category have lost their tenants, or otherwise suffered a substantial rent decrease – decided to penalise those who have retained their tenants, very simply by demanding they make up the shortfall. With respect, this is inequitable in a legal sense, and not representative of how a bonafides business should be run. Karratha, like much of the north-west, is at present suffering a downturn in local industries, which translates to other local businesses suffering or closing, while people generally are spending less. It would be reasonable, therefore, to expect a local council to reduce its spending accordingly, or at least keep its spending – and therefore its rate rises – to the pace of inflation, and certainly **NOT** place a heavier burden on those businesses that are still running, which can only depress the local economy further.

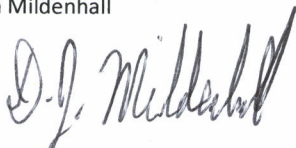
In conclusion, we submit that **any rate rise with respect to any property that is greater than the proposed '2% predominant rate' is completely unacceptable, and unjustifiable in a real sense; while the rate rise of 22% for our particular property is preposterous, given the present state of the real estate market and the economy generally.**

We would request that you **not** reply simply with a reiteration of your economic reasoning as stated in your initial letter; and nor, with respect, do we wish to hear that the budget planning is already completed, and the matter is therefore closed. Budgets are altered all the time, as we all well know, and at all tiers of government; both before and after their date of release. What we are requesting is that **you at least reconsider your position with regards to the proposed rate increase, where it places such an onerous burden on such landholders as ourselves**, and that as part of that you circulate this letter among the city's elected councillors.

We hope to receive a response from you in due course.

Yours faithfully

David John Mildenhall



RMB 373

BRIDGETOWN WA, 6255

14.5.2018