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**Private and confidential**

Ray McDermott  
Manager Financial Services/CFO  
c/o City of Karratha Rates Services Team  
City of Karratha  
Lot 1083 Welcome Road  
Karratha WA 6714

17 May 2017

Dear Ray

**Differential Rates – 2017/2018 City of Karratha Rates Notices**

<i>Rates Assessment A11526</i>	<i>Lot 103, Wickham Drive, Wickham (Wickham Village)</i>
<i>Rates Assessment A91436</i>	<i>Lot 7772, Cajuput Way, Wickham (Cajuput Lodge)</i>
<i>Rates Assessment A10045</i>	<i>Lot 369, Wickham Drive, Wickham (Wickham Lodge)</i>

We formally query the increase in shire rates for these Wickham accommodation sites and specifically query the points below:

- The current and proposed GRV valuation of these sites has remained the same contrary to the well reported large fall in Pilbara property values. In accordance with market conditions, the 2017/2018 valuation of these sites should be reduced significantly. We request that the City of Karratha provide reduce 2017/2018 GRV value.
- The rates concessions granted to Cajuput Lodge and Wickham Lodge have been reduced by ~30% in the 2017/2018 rates notice compared to the previous year. We request that the City of Karratha provide justification for this reduced concession.

We welcome the City of Karratha's response and invite any queries.

Please forward all queries or correspondence to John Barrett email [john.barrett@riotinto.com](mailto:john.barrett@riotinto.com) or call 0413 521 199

Yours sincerely

*Momcilo Andric*

Momcilo Andric  
GM Core Services