

Proposed Rates 2023/2024

The City of Karratha's proposed differential rates model for 2023/24 would allow it to keep up with the changing economic conditions. This would also meet budgetary revenue needs of 2023/24.

Our property investments, like the Quarter, provide a positive alternative revenue source that reduce reliance on rates. This means ratepayers aren't hit as hard by rising costs and allows the City to absorb the cost increases in the budget.

The proposed increase to rates in the dollar of 5 per cent is in line with Council's Long Term Financial Plan but remains lower than actual CPI of 7 per cent.

As a result, the budget deficit will be funded while ratepayers will be impacted as little as possible by changes in the economy.

This will mean an average residential cost increase of \$121 per year or \$2.33 per week, and a commercial cost increase of \$442 per year or \$8.50 per week.

The City Budget absorbs cost increases and maintains services.

Proposed rate increase

5%

Perth CPI (year to December 2022)

7%

AVERAGE RATES INCREASE

Average residential increase



\$2.33 PER WEEK

or

\$121 PER YEAR

Average commercial increase



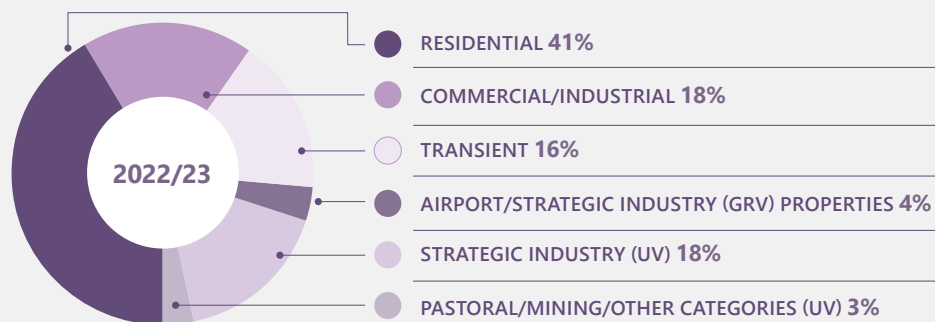
\$8.50 PER WEEK

or

\$442 PER YEAR

CONTRIBUTION TO RATES

Council has adopted a differential rating model whereby different rates in the dollar are set for different rating categories. In 2022/23 rate revenue was derived from the following categories.



RESIDENTIAL RATES OWNERSHIP PERCENTAGES*

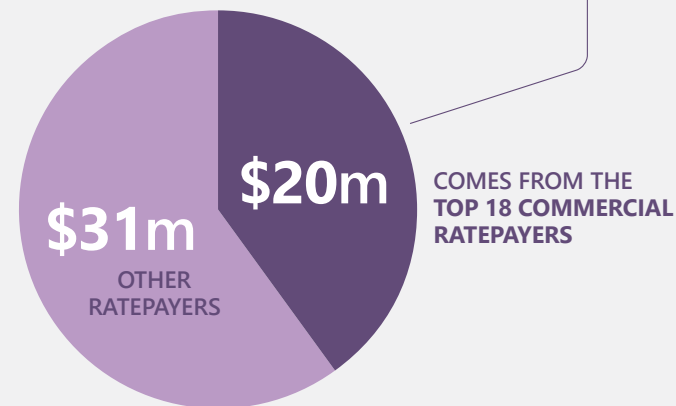
Owner-occupier

Investor

27% vs 73%

\$51m in ESTIMATED RATES REVENUE

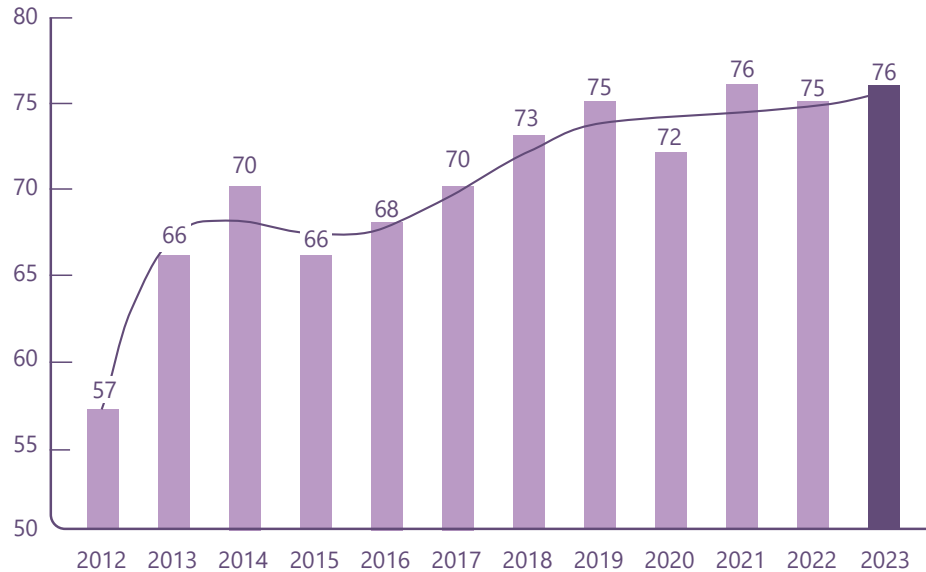
LARGE COMMERCIAL RATEPAYERS GENERATE 40% OF RATES



*City estimate

CITY PERFORMANCE

The City of Karratha continues to monitor its performance through the Annual Community Survey and received an equal high score of 76/100 from residents in the 2023 survey.



OVERALL SCORE FOR THE CITY

76/100

KARRATHA AS A PLACE TO LIVE

72/100

KARRATHA AS A PLACE TO WORK OR OPERATE A BUSINESS

70/100

COST INCREASES TO THE CITY

This year has seen costs increase for the City across a series of areas including insurance premiums rising by approximately 12.9% or \$349,000 from \$2.7M to \$3.1M.

INSURANCE INCREASE **12.9%**
\$2.7m ▲ **\$3.1m**

We are also providing ongoing upgrades and renewal of facilities, meeting community demands, maintain service levels and support for development within our region.

RATES BURDEN IS REDUCED BY OTHER REVENUE

Other sources of revenue such as grant funding and property investments like the Quarter, provide a positive alternative revenue source and means the City can absorb some of the rising costs in the budget.

