

## **What We Make It Page FAQ's/Fact Sheet**

### **What is the Differential Rating Model?**

Not all properties are the same - so not all rates are either.

Council uses a differential rating model, which means:

- Different types of properties (residential, commercial, industrial, mining, etc.)
- Pay different rates in the dollar
- Based on their use, impact on services, and capacity to pay

### **What are Council Rates?**

Council provides a wide range of operations and services to the community, including maintaining roads and footpaths, recreational facilities, parks, libraries, waste management, major infrastructure projects and community programs.

You pay rates based on:

- Your property's gross rental value (GRV)
- The type of property you own
- The rate in the dollar (RID) set by Council

### **How is the Rate in the Dollar calculated?**

As part of the yearly budget process, we calculate the Rate in the Dollar (RID) by dividing the total amount of money to be raised in general rates by the total value of all rateable properties. The resulting figure is the Rate in the Dollar.

### **How are Rates calculated?**

Rates are made up of two components:

1. Your property's value (GRV or UV) – which is set by Landgate
2. The Rate in the Dollar – set annually by Council

### **What makes my rates increase?**

Rates can increase if your property increases in potential rental value faster than others in your area. For example, if you make improvements to your home that increase its rental value then your share of rates will increase. This is determined by the Valuer Generals Office and is referred to as Gross Rental Value (GRV).

Rates are also affected by changes made by other government sectors. If the state government increases fees for power and water, or adds street lighting (for example), that increase in cost will need to be met by councils.

Your rates can increase if Councils budget for the year results in additional funding required to provide local services, facilities or new initiatives.

### **How your Property Value affects your Rates**

Last year was a revaluation year. Landgate updated property values, which affects how much you pay - but not necessarily the City's overall revenue.

### **Will rates decrease if there is a drop in the property market?**

No. Rates are not directly linked to movements in the property market. The value of your property in comparison with your neighbours forms part of a formula to calculate rates, along with RID, required revenue and funding sources.

### **Why can't surplus funds be used to lower rates?**

The City of Karratha does hold reserve (surplus) funds in term deposits. However, these funds are held for expenditure on long-term capital and asset renewal projects for key assets, such as:

- Red Earth Arts Precinct
- Karratha Leisureplex
- Airport
- Waste Facility

Over the next four years, the City is planning:

- \$100+ million in new and upgraded capital works (sporting facilities, roads, etc.)
- \$50+ million in capital renewal projects

The reserve of funds for capital and asset renewal projects is required by legislation and cannot be used to off-set City rates.

### **How can the City of Karratha minimise rate rises?**

To help reduce reliance on rate revenue, the City also earns income from:

- Commercial operations (e.g. Quarter HQ)
- Fees and charges from City-run facilities

This broader income base helps keep rates as low as possible.

### **How can I make my voice heard at Council?**

Community members are encouraged to raise questions and concerns during Council meetings.

Next Council Meeting:

6pm, 25 May 2026

To learn how you can participate, visit: <https://karratha.wa.gov.au/council/council-meetings/public-participation>

### **Why is the GRV model not equitable for Karratha?**

The City of Karratha recognises that the current Gross Rental Value (GRV) system does not always reflect the unique conditions of our region.

While GRV is set independently by the WA Government's Landgate and must be applied by all local governments in Western Australia, the City is continuing to advocate for change to a more equitable model for the Pilbara.

We have formally raised our concerns with the Valuer General highlighting the issues with the rating model in the Karratha context and calling for a more balanced and equitable solution for Pilbara residents.

### **Why are we proposing a rates increase despite cost of living pressures?**

We understand cost of living pressures are a real concern for the community, and this has been carefully considered in developing the proposed rates model.

Each year, the City reviews its budget, services, and all available revenue sources, including investments, to minimise the impact on ratepayers while still delivering essential services.

### Do mining and resources companies also pay rates?

Mining and resources companies all pay rates. Given this, resource-related contributions are spread across multiple categories in the rates model. This is because resource companies often have a presence across operational facilities, accommodation villages, airport-related infrastructure, and/or strategic industrial land holdings.

This includes:

- GRV Commercial/Industrial
- GRV Airport/Strategic Industry
- GRV Transient Workforce Accommodation
- UV Strategic Industry
- UV Mining/Other