

APARTMENTS VACANT

Taxpayers cop Pelago units bill

EXCLUSIVE

■ Phoebe Wearne

Taxpayers are paying boom-time rents for 11 privately owned apartments in the first of Karratha's twin high-rise residential towers while 28 Government-owned apartments in the second complex sit empty.

The Government has struggled to sell the 28 apartments it owns in the 178-unit Pelago East tower in a cooling market, leaving them vacant since the building was completed in November.

The Department of Housing is paying between \$1154 and \$1537 in rent for the two-bedroom apartments in the Pelago West tower each week — a total of at least \$660,000 a year— after it entered into five-year leases with private owners in 2012 when rents were high because of housing shortages.

The median rental price for a unit in Karratha has fallen since to about \$650 a week.

The education, child protection, planning and corrective services workers who live in the apartments pay subsidised rents

under the Government Regional Officers' Housing Program.

The department's acting general manager of commercial and business operations Greg Cash said high demand for accommodation had forced the department to seek out private leases to house public servants two years ago, on top of the 15 apartments it already owned in Pelago West.

Mr Cash said the rents would not be changed to reflect the market until they were reviewed mid-lease in August. He would not identify the owners.

Details emerged last week of close links between the private companies behind the Pelago developments and the Liberal and National parties, which used \$30 million in taxpayers' money to buy 50 apartments in Pelago East off the plan to get the second phase project off the ground.

Asked about political donations made by developer Finbar and builder Hanssen to the Liberals and Nationals, Premier Colin Barnett yesterday maintained that the donations had nothing to do with the Government's investment decisions.