

3 May 2021

Independent Pricing and Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop  
SYDNEY NSW 1240

Dear Sir/Madam

**Submission to the Issues Paper – Review of the rate peg to include population growth**

I am writing in response to the Independent Pricing and Regulatory Tribunal's (IPART) invitation for submissions on the Review of the Rate Peg to include Population Growth.

**What council costs increase as a result of population growth? How much do these costs increase with additional population growth?**

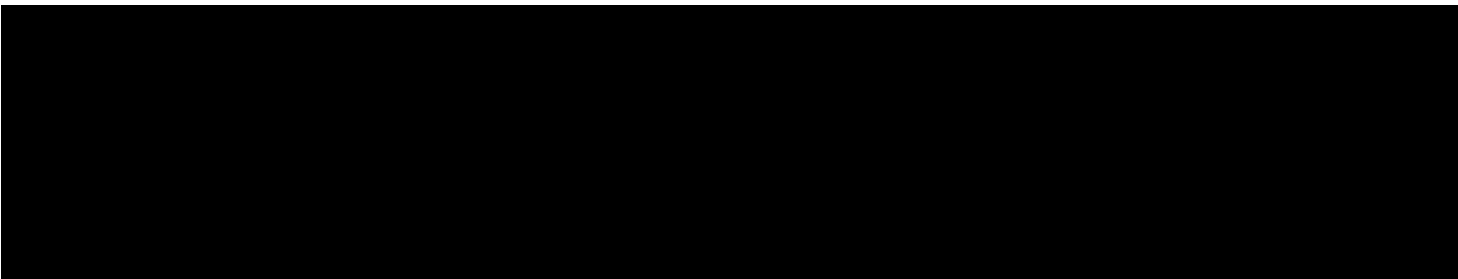
There has been an increase in secondary dwellings within the [REDACTED] Local Government Area. This is resulting in an increase of the secondary dwellings being listed on the rental market but no increase in the land rates payable, which does not support key taxation principles of Efficiency or Equity.

There is an expectation from the community for Council to ensure that all its infrastructure is maintained. These costs are represented by the ongoing maintenance of capital or operational costs in the daily running of these assets.

**How do council costs change with different type of population growth?**

Changes in the demographic, socio-economic status and age of a community has an impact on the types of Council costs. For example, younger families have expectations of council providing playgrounds, skate parks, aquatic centres and sporting facilities. Whilst an older population have different expectations for community halls, library facilities, art galleries and museum, for example.

As mentioned in above, there has been an increase in secondary dwellings, of which some have been approved under the SEPP (Affordable Rental Housing). This type of development allows for an increase in number of residents on the whole of the property, but in a smaller version of the secondary dwelling. These types of developments are unable to be strata titled or Torrens titled and therefore, based on the current rating structure, cannot be reflected in any growth for rating purposes.



Community housing and aged care are increasingly being run by not-for-profit Public Benevolent Institutions which are exempt from land rates. Council still provides services to these residents such as libraries, footpaths, open space, sporting facilities etc., with no contribution made towards supporting the services provided. These costs are therefore distributed amongst the existing rate paying community.

Due to an increase in retirees to the region, there is a continual increase in pensioners applying for Pensioner Rebate Concessions. The local community incurs a cost of 45% of the pension rebate applied for as the NSW Government only contributes 55% of the pension rebate.

██████████ has a high rate of tourism to the city either visiting for sporting activities or relaxation. These visitors create revenue for local businesses but that comes at a cost to Council through:

- Expectation to have high quality sporting facilities.
- Requests for grants and donations from sporting groups
- Pressure on local infrastructure such as roads, car parking, parks and gardens
- Increase to services such as water and sewerage

**Are there sources of population data we should consider, other than the ABS historical growth and DPIE projected growth data?**

We would recommend that IPART consider the following data points in addition to the blended hybrid model of averaging past ABS data with future DPIE projected growth:

- Department of Planning – Occupation Certificates issued
- Tourism Research Australia – population effects due to tourism
- Transport for NSW – population effects due to business hubs

**Is population data the best way to measure the population growth councils are experiencing, or are there better alternatives (number of rateable properties or development applications, or other)?**

A reflection of the population growth could be the use of occupation certificates and/or supplementary valuations.

**Do you think the population growth factor should be set for each council, or for groups of councils with similar characteristics? How should these groups be defined?**

Set for each council.

**Should we set a minimum threshold for including population growth in the rate peg?**

Yes.

**What is your view on the calculation of the growth factor – should we consider historical, projected with true-up, a blended factor or another option?**

We would recommend a blended factor approach be considered to incorporate the above mentioned additional data points.

**Do you have any comments on our proposed review process and timeline?**

The timeline review process appears adequate.

Thank you for providing the opportunity to make a submission in regard to this matter.

For further information please contact [REDACTED] on [REDACTED]

Yours faithfully

[REDACTED]

[REDACTED]