

## Proposed Responses to IPART Review of the Rate Peg to Include Population Growth

### 1. Should our methodology be-rebased after the census every five years to reflect actual growth?

Yes, actual population growth needs to be accounted for, whether this is after each census or more frequently. This is required to cover the costs of any population increase not accounted for in the historical data estimates.

As the population growth factor is determined by using 2 year old population data minus the supplementary valuations percentage which is based on current rating data. Generally a higher population means more ratable properties, more ratable properties increase the frequency of adjustment via the supplementary valuation process. This means the population growth factor is being determined using outdated population data minus supplementary valuations percentage which is directly impacted by current population data.

Therefore, a process needs to be implemented to account for this discrepancy which would be accounted for during a true-up based on actual population growth. This process would allow for the re-calculation of the population growth factor by using the accurate “change in population” data minus the previously provided “supplementary valuations percentage”.

### 2. In the absence of a true-up, should we impose a materiality threshold to trigger when an adjustment is needed on a case-by-case basis to reflect actual growth?

If a ‘true-up’ is not implemented then a threshold should be set to ensure Councils who require the additional increase to meet their growing population do receive the benefits of a rate peg inclusive of population growth.

### 3. Do you have any other comments on our draft methodology or other aspects of this draft report?

Council’s comments and concerns regarding the proposed methodology and the inclusion of population growth within the rate peg were previously submitted during the initial stage of the “Review of the rate peg to include population growth” draft report. These included Council’s opinions in preferring to use a Capital Improved Valuation method and removal of the restrictive ‘rate peg’.