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Port Stephens Council expects that it is a council that has experienced population growth that exceeds its rate growth from supplementary valuations. This is because it has experienced significant growth in retirement communities rated as a single rate assessment, non-rateable aged care and increasing infill development such as duplexes and granny flats that do not result in additional rate assessments and consequently rate income.

Council does not believe it is necessary to re-base the proposed methodology after each census due to the anticipated additional complexity. Council supports the concept of providing a materiality threshold to trigger an adjustment where this is warranted on a case by case basis in the event estimated population growth was materially underestimated when compared to the census result.

Council supports the draft methodology because it appears sound and our initial calculations indicate there is positive benefit for Council due to our level of population growth, but is concerned that it does not go far enough.

It is noted that the population factor will ignore community support for, or capacity to pay the increase. This lack of support for an increase was the reason Council was refused its last special variation application. Council does not agree that "on average new ratepayers will pay most of the additional rates revenue". This is mathematically unjustifiable as the percentage increase will be applied evenly across all rate assessments within each land category. Council cannot apply that increase to single rate assessments in isolation or non-rateable properties, this is not possible under the rating legislation. Council would prefer a more complex calculation that takes into account the historical scope individual councils have had to increase their rate income compared with comparable councils, and gives consideration to their local cost challenges or disabilities. IPART's assertion that these disparities can be met through the special variation process has proven elusive for Port Stephens in 2019-2020 and previously in 2010-2011 despite our average rates being comparatively low.