

6 August 2021

Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

**Wagga Wagga City Council Submission
Review of the rate peg to include population growth
August 2021**

Wagga Wagga City Council Responses to Questions

1. *Should the methodology be re-based after the census every five years to reflect actual growth?*

Re-basing the methodology after the census every five years to reflect actual growth would result in a fairer methodology for the community, however there are some factors that need to be considered if this were to be implemented.

Firstly, it would create a further administrative burden to council. It is assumed that the re-basing would involve several formulas to determine the differences between the actual rate peg that should have been applied compared to the rate peg that was actually applied for that period with the result being an increase or decrease to the rate peg for that particular year. While this may not seem like a significant process, it still adds several further steps in the process to apply that year's rate peg.

Another consideration is if council rate using the estimated residential population numbers from the ABS, but the true-up revealed that the council did not have the population growth to support the rates set down, the community may develop the view that the additional rates raised in excess, would be required to be returned through the following year's rating process for example. The re-basing process, if one is implemented, should be equal to the maximum of zero or only the increase applied to ensure that the same level of services, infrastructure and facilities can be provided as in previous years. It should not result in the rate peg to be applied for that financial year to be negative.

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

As per the above response, a true-up mechanism provides a fairer methodology for the community. While the above factors may need to be considered, it would be preferable to include some mechanism that could trigger an adjustment that differs from applying for a special variation through IPART.

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

Council would like to thank IPART for involving Council in this review and are generally supportive of the draft methodology proposed.

If you would like to discuss this submission, please contact me on [REDACTED] or email:

Yours sincerely

[REDACTED]
Carolyn Rodney
Chief Financial Officer