

FEEDBACK SOUGHT ON PROPOSED CHANGES TO RENTS FOR COMMUNICATION TOWERS ON CROWN LAND

Rents for communication towers on Crown land would be brought more closely into line with market rents under proposals released today by the Independent Pricing and Regulatory Tribunal (IPART).

IPART is seeking feedback on the proposals which update rents to reflect recent market changes, improve simplicity and transparency and help facilitate the roll out of emerging technologies.

Around 800 communication tower sites owned by around 200 different users are located on Crown land administered by Department of Planning, Industry and Environment, the Office of Environment and Heritage, and Forestry Corporation of NSW.

IPART is recommending that rents continue to be set via a rent schedule which would result in:

- Lower rents for towers located in Sydney and high and medium-density areas across NSW, with rents falling by between 10% and 46%. Rent in Sydney would be \$33,700 per site per year, down from \$37,304 (\$2020-21).
- Rent increases of 19% for towers in low-density areas to bring them more closely in line with rents for towers on private property.
- A reduction in Government revenues (around \$2.7 million in \$2020-21) from communication towers.

For primary users on new sites and Small Country Automated Exchange (SCAX) sites, annual rents would vary according to the size of the site in square metres as well as the location. For co-users of new and existing sites and small cell technology, annual rents would be charged only for additional land. Where there is no additional land footprint only the minimum annual rent to occupy Crown land should be charged.

IPART's recommendations would also remove scope for site-by-site negotiation and discounts for infrastructure providers. It is also recommending replacing rental rebates to community groups, local services providers and other users with transitional financial assistance or subsidies that more transparently address their needs.

IPART Tribunal Member Ed Willett said the recommendations would ensure that rents reflect "fair market-based returns", improve simplicity and transparency, and respond to technological developments in the telecommunications industry.

"We have recommended a rent schedule that better aligns with recent market rents for communication towers on private land. Because these rentals are agreed in a

workably competitive market, we consider they are likely to reflect efficient prices for communication tower sites removing the risk of monopoly rent being charged,” he said.

IPART is also recommending new arrangements for sites used by emerging communication technologies, such as 5G mobile telecommunications.

“This technology requires many small cells to be deployed in high density locations. Therefore, it needs many more sites than traditional communication technologies, and uses less land area per site,” Mr Willett said.

A full copy of the draft report and recommendations is available at ipart.nsw.gov.au. A public hearing will be held on 22 July and submissions on the draft proposals will be received until 9 August 2019. A final report will be provided to the Premier and Ministers in September.