

Crown Land Adjustments 2022-23 Fact Sheet

7 July 2022

1 Summary

This fact sheet summarises IPART's determination on Bega Valley Shire Council's and Wingecarribee Shire Council's Crown Land Adjustment (CLA) applications.

2 Purpose of CLAs

CLAs increase the general income of councils for parcels of Crown land that have become rateable.

Crown land is generally exempt from rates. It usually becomes rateable if it is:

- sold or leased to private entities, or
- transferred to State Owned Corporations that are liable to pay rates.

CLAs allow councils to add the value of rates levied on the newly rateable land to their rate base. These adjustments allow councils to apply the full rate peg uniformly to all rating categories.

3 Bega Valley Shire Council's CLA application

Bega Valley Shire Council applied for a CLA for a property that was previously non-rateable – that is, the Eden Cruise Wharf.

The property was sold to a private entity and has now become rateable.

4 Wingecarribee Shire Council's CLA application

Wingecarribee Shire Council applied for a CLA for properties that were owned by the Department of Communities and Justice, and previously non-rateable.

The properties were sold to private entities and have now become rateable.

5 Decision

IPART approved these applications for a permanent increase to the rate base for 2022-23, to reflect the additional income from the properties that are now rateable.

In making this determination, IPART had regard to the Office of Local Government's (OLG) assessment that these applications were valid.

Table 1: OLG Recommendation for CLAs

Council	Previous owner of the crown land	Reason for land becoming rateable	CLA for 2022-23 (\$)	Increase for CLA (%)	Increase for rate peg or existing special variation (%)	Combined increase (%)
Bega Valley Shire Council	The State of NSW	Sold to private entity	18,370.89	0.07	2.50	2.57
Wingecarribee Shire Council	Minister for Community Services	Sold to private entity	4,597.59	0.01	2.00	2.01

Source: Letters from OLG to IPART dated 30 June 2022 and IPART calculations

Both councils were successful in their applications to increase their rate peg through the Additional Special Variation (ASV) process. We have applied the ASV increases to each council's CLA. The instruments giving effect to each council's CLA revoke and replace the councils' existing ASV instruments.