

# Crown Land Adjustments 2023-24 Fact Sheet

15 June 2023

## 1 Summary

This fact sheet summarises IPART's determination on Lithgow City Council and Sydney City 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 Lithgow City Council's CLA application

Lithgow City Council applied for a CLA for properties owned by 2 State-owned entities that have become rateable:

- Water NSW
- Transport Asset Holding Entity of NSW.

The State-Owned Corporations have undergone corporatisation and have now become rateable.

## 4 Sydney City Council's CLA application

Sydney City Council applied for a CLA for properties that were owned by the Department of Education and Department of Lands, and previously non-rateable.

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

## 5 Decision

IPART approved these applications for a permanent increase to the rate base for 2023-24, 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

Prior Owner of the Crown Land	Reason for land becoming rateable	CLA for 2023-24 (\$)	Increase for CLA (%)	Increase for rate peg of existing special variation (%)	Combined increase (%)
Lithgow City	Corporatisation of State-Owned Corporations	11,608.62	0.08	45.7	45.78
Sydney City	Leased to Private entity	422,535.75	0.13%	3.7	3.83

Source: Letters from OLG to IPART dated 5 May 2023 and IPART calculations