

Fact Sheet – Decisions on councils’ applications for Crown land adjustments for 2018-19

14 June 2018



WHAT

This fact sheet summarises IPART’s determinations on councils’ applications for Crown land adjustments.



WHY

Crown land adjustments 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.

Crown land adjustments allow councils to add the value of rates payable by the newly rateable land to their rate base. These adjustments should not affect the rates paid by other ratepayers.



WHO

Three councils applied for Crown land adjustments for 2018-19:

- ▼ Port Stephens
- ▼ City of Ryde, and
- ▼ Sutherland Shire.



DECISIONS

IPART approved all three applications for permanent increases to the rate base for Port Stephens, Ryde and Sutherland.

In making these determinations, IPART has regard to the Office of Local Government’s assessment that these applications were valid crown land adjustments.

Table 1 on page 2 summarises our determinations for the three applications.

Table 1 Summary of Crown land adjustments (CLAs) for 2018-19 approved by IPART

Council	Previous owner	CLA for 18-19 – adjusted for rate peg/special variation (\$)	Permitted increase in general income for 18-19		
			Increase for CLA (%)	Increase for rate peg/special variation (%)	Combined increase (%)
Port Stephens	▼ Landcom (2 parcels, residential rating category)	7,317	0.02	2.30	2.32
	▼ Defence Housing Australia (7 parcels, residential rating category)				
City of Ryde	▼ Landcom (2 parcels, residential rating category)	181,041	0.29	7.00	7.29
Sutherland Shire	▼ Gandagarra Local Aboriginal Land Council (1 parcel, residential rating category)	90,810	0.08	2.30	2.38

Last year we refined our method for calculating Crown land adjustments (CLAs). This revised methodology has also been applied this year. The CLAs in council applications are based on 2017-18 land values and rating charges, escalated by the rate peg (2.3 per cent in 2018-19), or special variation (if there is one in place), to estimate the rates that would be collected from the Crown land in 2018-19. The resulting increases in the council's general income from adding this land to the rate base in 2018-19 are shown in Table 1.