

DRAFT REPORT ON RENTAL ARRANGEMENTS FOR COMMUNICATIONS TOWERS ON CROWN LAND

Embargoed until 10am, Tuesday 30 April 2013

IPART has today released its Draft Report on rental arrangements for communications towers on Crown land from July 2013.

The report responds to the Terms of Reference issued in October 2012 by the Government. The Government asked IPART to review rental arrangements which IPART had last reviewed in 2005.

Dr Peter Boxall, IPART Chairman said “We looked at market evidence and other factors to assess the fairest approach to determining commercial rental returns for the use of government land.”

“We have recommended a simpler fee schedule compared to 2005. We have done away with separate rents for 9 different user categories, and replaced them with one user category. Based on market evidence, we recommend 4 location categories, with higher rents being charged for Sydney metropolitan locations.”

“Separately, we also recommend a schedule of rebates for eligible users to be granted at the Minister’s discretion. The eligible users include community groups, budget-funded agencies and service providers in more remote areas of NSW.”

“We have also recommended that a list of selected sites with valuable characteristics, such as significant elevation, should be negotiated between land management agencies and tower owners outside of the schedule. This will mean that the government achieves fair market based returns for the use of public lands.”

Some aspects of the 2005 Review will remain unchanged. “For co-users we have recommended that the current 50% discount remain” said Dr Boxall.

“After considering opposing arguments that the current 30% discount for infrastructure providers be either removed or increased, we have decided, on balance, that it gradually be removed over 5 years, from July 2018 at the earliest.”

“We expect that for some users, rents will go up, and for others they will go down. For existing users, we recommend that the fee schedule be implemented from the next rent review date, but be phased in gradually over 5 years from that date to lessen the impact on users.”

“The new fee schedule will have a modest effect on government revenues. With the new schedule being gradually implemented, land agencies revenue from communication towers is expected to increase by about 2.5% each year, excluding the effects of inflation, for the next 5 years (based on the current number of sites).”

IPART invites submissions on the Draft Report by 11 June 2013.

The report, *Review of rental arrangements for communications towers on Crown land – Draft Report* is available on IPART's website <<http://www.ipart.nsw.gov.au>>.

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