LOCAL
GOVERNMENT
NSW

Our ref: R95/0025-03 Out-28780

10 April 2019

Dr Paul Paterson
Chair
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

Dear Dr Paterson

IPART Review of Rental Arrangements for Communication Towers on Crown Lands

LGNSW welcomes this opportunity to comment on rental arrangements for mobile communications towers on Crown land. Our specific concern is that councils managing Crown land are denied this revenue stream. LGNSW appreciates that while this issue is strictly speaking, outside your Terms of Reference, we consider it to be highly relevant.

Councils currently manage over 7,750 Crown reserves in NSW. Next to the NSW Government, local government is the major stakeholder in Crown lands management. Nearly all councils manage several Crown reserves. Many of these reserves host mobile phone towers.

Under the Crown Lands Management Act 2016 (CLM Act), councils have full responsibility to maintain Crown reserves under council management and are expected to subsidise shortfalls in maintenance costs from their general revenue. This is considered appropriate as the benefits from Crown reserves under council management generally accrue to the local community. However, as a result, councils should also be entitled to any current or potential revenue from Crown reserves required to cover maintenance and improvement costs including rents from, telecommunication facilities.

Prior to 2011, councils were entitled to collect rent for communications towers sited on Crown lands that they managed. These rents made a substantial contribution towards council costs incurred in the management, maintenance and improvement of the individual Crown reserves. This policy was changed by the then Land and Property Management Authority (LPMA), which was later absorbed into the Department of Finance and Services. Under the policy change the Department of Finance and Services took over council licences and began directly licensing the telecommunications companies, thereby appropriating existing revenue streams and denying future revenue streams to councils. LGNSW considers any action by the NSW Government to limit councils' revenue raising capacity or require the transfer of council revenue to the NSW Government to be a form shifting.

Councils need the rental revenue stream from communications towers on Crown land managed by councils more than ever. The commencement of implementation the new CLM Act in 2018 has been accompanied by unanticipated cost impositions and responsibility burdens on councils. These primarily derive from the requirement for councils to prepare Plans

LOCAL GOVERNMENT NSW
GPO BOX 7003 SYDNEY NSW 2001
L8, 28 MARGARET ST SYDNEY NSW 2000
T 02 9242 4000 F 02 9242 4111
LGNSW.ORG.AU LGNSW@LGNSW.ORG.AU
ABN 49 853 913 882

of Management (POMs) for the Crown reserves they manage and the transfer of responsibility for the management of Native Title.

- **POMs:** The requirement for preparation of Poms for Crown reserves is imposing considerable additional costs on councils. The State Government has provided only $7 million over 2 years to assist councils with the costs of preparing POMs. Councils report that this is far is far short of the actual costs which are estimated to be greater than $20 million.
- **Native Title:** Each council is now required to have a Native Title "Manager" to deal with the complex requirements of the Native Titles Act in relation to Crown reserves. Councils do not feel that they are adequately supported to exercise his responsibility and there will be costly resourcing implications.

LGNSW would greatly appreciate IPART's support for the return of the rental revenue stream from communications towers from Crown reserves managed by councils.

For further information on the issues raised, please contact Shaun McBride, Chief Economist on [redacted] or email shaun.mcbride@lgnsw.org.au.

Tara McCarthy
Chief Executive