



OUT19/10302

Mr Brett Everett  
Director, Pricing  
Independent Pricing and Regulatory Tribunal  
Level 15, 2-24 Rawson Place  
SYDNEY NSW 2000

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Dear Mr Everett

### **Rental arrangements of communication towers on Crown Lands - 2018**

The NSW Small Business Commission (NSWSBC) is focused on supporting and improving the operating environment for small businesses throughout NSW. The NSWSBC advocates on behalf of small businesses, provides mediation and dispute resolution services, speaks up for small business in government, and makes it easier to do business through policy harmonisation and reform.

#### **Draft Report**

The Independent Pricing and Regulatory Tribunal (IPART) Review of Rental Arrangements for Communication Towers on Crown Land – Draft Report (Draft Report) proposes rents for communication towers on Crown land would be brought more closely into line with market rents.

It preliminarily recommends that local service providers adversely impacted by IPART's recommendations be able to apply for transitional financial and business advisory assistance from the NSW Small Business Commissioner for a period of three years.

#### **Potential funding estimate**

The Draft Report indicates there are currently 20 different users receiving a local service provider rebate. Between them they hold 12 primary use licences and 26 co-use licences. IPART considers this sub-group as being likely to include small businesses.

The draft recommendations would decrease revenue the land management agencies earn by around \$2.7 million a year from 2020-21, saving users an equivalent amount, in aggregate. For the majority of users, the net effect of IPART's draft recommendations would mean lower overall rental costs, but some users are likely to face net rent increases.

We are not yet familiar with the probable net effects for affected small business operators. Visibility of this granular information could be expected to assist in the consideration or design of a potential subsidy program.

## **Administration of a financial assistance program**

If IPARTs' draft proposals are accepted by Government, and anticipating around 20 small businesses being affected to varying degrees, then IPART suggests the NSW SBC offer financial assistance or subsidies and business advisory services for three years.

We'd be pleased to link any affected small business operator to business advisory services. Additionally, we would lead administration of a financial assistance or subsidies program if asked to do so by the Government.

In relation to administering a financial assistance or subsidies program, we anticipate complexity including in relation to securing funding, liaising with the three NSW land management agencies and possibly others, developing application, determination and review processes, managing expectations with unsuccessful applicants, and petitions for continuation beyond three years. A rough estimate of the fully absorbed cost of administering such a program might be in the region of \$5,000 to \$10,000 per applicant.

If the net rental increase amount for an affected small business is modest it may be more efficient for each NSW land management agency to remit to the tenant directly and as appropriate, relatively automatically, an amount that approximately offsets the forecast increase.

The NSW SBC would welcome further engagement as IPART proceeds to finalise its review and recommendations. To discuss this submission, please contact Murray Johnston, Principal Advisor, Advocacy and Strategic Projects on [REDACTED] or [murray.johnston@smallbusiness.nsw.gov.au](mailto:murray.johnston@smallbusiness.nsw.gov.au).

Yours sincerely

Claire Curtin  
Director, Advocacy  
NSW Small Business Commission