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Review of Local Government Rating System
Independent Pricing and Regulatory Tribunal
PO Box K35, Haymarket Post Shop
Sydney NSW 1240

Dear Sir/Madam,

Proposed Changes to the Local Government Rating System in NSW

The GPT Group would like to express its support for the Property Council Submission to the Independent Pricing and Regulatory Tribunal (IPART), which addresses proposed changes being considered as part of IPART's Review of the Local Government Rating System in NSW.

GPT is an active owner and manager of shopping centres, office towers and logistics facilities across Australia. In NSW, GPT manages and has ownership interest in retail properties including Rouse Hill Town Centre and Charlestown Square, office towers such as The MLC Centre and Australia Square, and areas identified for mixed-use development such as Sydney Olympic Park.

In particular, GPT is concerned about the draft recommendation to allow Councils to use capital improved value (CIV) as a means of determining rates. GPT is concerned that under this system higher value properties will attract significant increases in rates, which will in turn impact our tenants, which are business owners, both large and small. The expense burden would be borne by our tenants, because they are responsible for statutory outgoings, including council rates, land taxes and fire service levies.

If tenant occupancy costs increase significantly, this will have an adverse impact on business profitability in NSW. Our office tenants include the powerhouses of the State economy; Banking, Finance and Insurance, as well as start-ups in the Technology sector. Small business retailers operating in our shopping centres would also be negatively impacted.

GPT understands the need to fund infrastructure more effectively, however, we strongly urge you to consider alternatives options to avoid redistributing the rates burden to high value or heavily improved properties, which would affect businesses (including property owners) disproportionately. Options raised in the Property Council submission and supported by GPT include the removal of the current rate pegging system, more controls to ensure development levies are spent in full, on time and for the purpose they were collected, and identifying council owned assets that should be corporatised or privatised.

Yours sincerely,



Bob Johnston
CEO & Managing Director

