

Crown Land Adjustments 2024-25 Fact Sheet

3 June 2024

1 Summary

This fact sheet summarises IPART's determination on Strathfield Municipal Council and Walgett Shire Council's Crown Land Adjustment (CLA) applications.

2 Purpose of Crown Land Adjustments

Councils may apply to the Office of Local Government (OLG) to seek additional general income to account for parcels of Crown land that have become rateable.^a

Crown land is generally exempt from rates. It becomes rateable if it is:

- sold or leased to private entities, or
- transferred to State Owned Corporations that are liable to pay rates.

These adjustments allow councils to apply the full rate peg or special variation (SV) uniformly to all rating categories.

3 Strathfield Municipal Council's CLA application

Strathfield Municipal Council has applied for a CLA for the sale of one Crown-owned property and the lease of 3 Crown-owned properties that have become rateable:

- Sale of one property
- Lease of 3 properties for private purposes

^a OLG has delegated authority to IPART to approve CLAs as part of its general delegated authority to grant special variations.

4 Walgett Shire Council's CLA application

Walgett Shire Council has applied for a CLA for the lease of 2 of Crown-owned properties that have become rateable.

The 2 properties have been leased for private purposes.

5 Decision

IPART has approved these applications for a permanent increase to the rate base for 2024-25, to reflect the additional income from the properties that are now rateable.

In making this determination, IPART had regard to, among other things, OLG's assessment that these applications were valid. These are shown in Table 1.

Table 1 OLG's Recommendation for CLAs

Council	Reason for land becoming rateable	CLA for 2024-25 (\$)	PGI 2023-24	CLA as % of PGI	Rate peg or existing SV increase (%)	Combined increase (%)
Strathfield Municipal Council	<ul style="list-style-type: none"> Crown land - 3 lots leased for private purposes Crown land – sold 	299,993.32	26,972,632	1.11	13.00	14.11
Walgett Shire Council	<ul style="list-style-type: none"> Crown land – two lots leased for private purposes 	542.30	6,304,000	0.01	4.5	4.51

Note: PGI means Permissible General Income, which is the total general income the council can recover from ratepayers.

In June 2023, IPART granted Strathfield Municipal Council a section 508A SV for 2023-24 to 2026-27. Given this, we have treated Strathfield Municipal Council's CLA as an application to vary its existing section 508A SV. In our assessment of the CLA we also had regard to our assessment of its 2023-24 SV. We consider the existing component of the council's SV remains appropriate and have decided to grant the additional CLA. We note the CLA applies to the council's total general income and will not further increase the rates paid by existing ratepayers.