Dr Michael Spence  
Vice-Chancellor and Principal  

13 October 2016  

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

Submitted online via  
www.ipart.nsw.gov.au/Home/Consumer_Information/Lodge_a_submission  

Dear Dr Boxall  


The University of Sydney (University) welcomes the opportunity to comment on IPART’s Draft Report on the Review of the Local Government Rating System released in August 2016 (Draft Report).  

Currently, under section 556(1)(i) of the Local Government Act 1993 (NSW) (LG Act), land that is vested in a university, or a university college, that is used or occupied by the university or college solely for its purposes, is exempt from all rates, other than water supply special rates and sewerage special rates.  

The Draft Report recommends changing this exemption such that university land used for residential and commercial activities will no longer be exempt. We have concerns regarding the description of residential and commercial activities in the Draft Report and the wide application this could have to land and facilities owned by us and by our six affiliated residential colleges: St Andrew’s College; St John’s College; St Paul’s College; Sancta Sophia College; Wesley College and the Women’s College (together, the Colleges).  

According to the description of “residential activity”, all student accommodation on located on land that we and our affiliated colleges own (including International House, Mandelbaum House and Sydney University Village) would be rateable, in addition to many of our other properties on which “commercial activities” are undertaken.  

If the recommendations in the Draft Report are adopted, approximately 80 of our 135 properties would be fully rateable if IPART’s description of “residential activities” and “commercial activities” is applied, while the remaining 55 would be partially rateable in the proportion that “commercial activities” are conducted upon them. Our assessment is that this would have a significant financial impact on the University, though we are unable to provide a precise estimate based on the information provided in the Draft Report.
More generally, the proposed changes do not appear to acknowledge the specific role that charitable not-for-profit public universities play in contributing towards broad community outcomes by providing education, research, sport, recreation, cultural and associated services.

In addition to the education, research, innovation and social benefits provided by the University, we make a substantial economic contribution to the NSW economy. The University also provides direct public benefits to our local communities through capital investment in infrastructure and the provision of public facilities and services. For example, as summarised in Annexure A of the attached submission, we have invested over $27 million since 2014 towards campus open space, stormwater infrastructure, traffic and pedestrian upgrades, and heritage/conservation works, in addition to the numerous other facilities and services offered by the University to the public.

It is for these reasons, and others outlined in the attached submission, that we request that the existing exemption in section 556(1)(l) be retained or that any changes to section 556(1) include an explicit exemption for land vested in the University or the Colleges that is used for purposes consistent with the objects and functions of the University under the University of Sydney Act 1989 (NSW) (University Act) and the Colleges under each of the relevant Acts of Parliament establishing the Colleges (including for residential and commercial purposes).

I would be pleased to discuss the matters raised in the attached submission further with IPART to reach a solution that encourages the continued growth and development of Australia's first university, and the various public services we provide for benefit of the people of NSW.

Yours sincerely

Signature removed for electronic distribution

Michael Spence

Attachments


Annexure A to the University’s Submission – summary of public benefits provided by the University

Annexure B to the University’s Submission – 2012 Universities’ Submission to the Commonwealth Government’s Discussion Paper: “Fairer, simpler, and more effective tax concessions for the not for profit sector”
EXECUTIVE SUMMARY

In 2015, the University of Sydney (University) enrolled more than 51,000 students, employed more than 7,500 permanent staff, and generated more than 5,000 jobs in the areas of construction, facilities maintenance and services. The University is a significant employment node and destination, as well as a future employment provider through its qualified students. The University’s main campus covers a total of 49 hectares (comprised of the Camperdown Campus at 33 hectares and the Darlington Campus at 16 hectares) and wholly occupies the postcode of NSW 2006. The University has other significant landholdings throughout NSW including in Western Sydney, Narrabri, Bathurst, Orange, Dubbo, Lismore and Marulan.

The University is a not-for-profit public charity, specialising in tertiary education, research and its translation for the benefit of the people of NSW. The University relies on significant grants, donations and external funding to provide new facilities for both the University community and the wider community at large. The University also provides and funds significant infrastructure services, and a wide variety of open space and community facilities, which are available for the public to access and use.

Currently, the substantial public benefits to the community that the University provides are recognised by an exemption from paying rates. Section 556(1)(l) of the Local Government Act 1993 (NSW) (LG Act) provides that “land that is vested in a university, or a university college, [that] is used or occupied by the university or college solely for its purposes” is exempt from rates, except for water supply special rates and sewerage special rates.

The University has recently become aware of IPART’s Draft Report on the Review of the Local Government Rating System dated 22 August 2016 (Draft Report) which includes, inter alia, the following draft recommendations:

(a) Allow councils to choose between the Capital Improved Value (CIV) and Unimproved Value (UV) methods in setting rates (Draft Recommendation 1); and

(b) Amend sections 555 and 556 of the LG Act to:
   (i) exempt land on the basis of use rather than ownership, and to directly link the exemption to the use of the land;
   (ii) ensure land used for residential and commercial purposes is rateable unless explicitly exempted; and
   (iii) make land proportionally rateable if used for both an exempt use and a non-exempt use (whether spatially or temporally),

(Draft Recommendations 10, 15 and 16).

If these recommendations are implemented, a significant portion of the land owned by the University and all of the land owned by the six residential colleges affiliated with the University, being St Andrew’s College, St John’s College, St Paul’s College, Sancta Sophia College, Wesley College and the Women’s College (together, the Colleges) would be rateable. The
land owned by the University that is used for student accommodation includes 1,415 existing beds under its operation (including 801 beds in the Queen Mary Building, 202 in International House and 200 in Abercrombie Student Accommodation), Mandelbaum House (an independent college located on land owned by the University) and Sydney University Village (a 650 bed facility in which the University is the landowner and owns some equity). This would have material financial impacts for the University and the Colleges, affect the affordability of student accommodation and potentially have flow-on impacts that hinder the University’s ability to attract international and domestic students.

The practical effect of this would be to redirect some of the grants (including from both the state and federal governments), donations and other external funding that the University receives to local government.

For the reasons outlined in this submission, the University requests that the existing exemption in section 556(1)(l) be retained or that any changes to section 556(1) include an explicit exemption for land vested in the University or the Colleges that is used for purposes consistent with the objects and functions of the University under the University of Sydney Act 1989 (NSW) (University Act) and the Colleges under each of the relevant Acts of Parliament establishing the Colleges (including for residential and commercial purposes).

1 INTRODUCTION

The University acknowledges that councils need to meet the demand for local infrastructure and provide public amenities and public services within their local government areas and that a large part of the funds they require to do this is raised through levying rates. The University has a shared interest with councils in their objectives to improve the amenities and provide adequate and appropriate infrastructure and services for the local community.

However, the University has significant concerns about the potential application of the proposed changes to levy the University’s and the College’s land that is used for residential and commercial activities.¹

In effect, levying rates on this land would redirect valuable funds of the University which are often received by way of grants, donations and external funding sources (including from both the state and federal governments) for educational and research purposes to local infrastructure and services.

The University considers this to be unreasonable, particularly given the:

(a) education, research, innovation and social benefits provided by the University;

(b) economic contribution that the public university sector (including the University) makes to the economy; and

(c) past, current and planned future works and services the University contributes that have a substantial public benefit, not only to the University’s students and staff, but also to the wider community.

¹ As those terms are described on page 78 of the Draft Report.
2 BACKGROUND AND CONTEXT
The University, founded in 1850, is Australia’s first University and has an international reputation for outstanding teaching, as a centre of research excellence and as an active and engaged community leader. It is a not-for-profit charity independently regulated by the Australian Charities and Not-for-profits Commission.

The University has approximately 51,000 domestic and international students and 7,500 permanent staff.

The land that is vested in the University is an integral part of the University’s business. It has a public charter, is open to the public and provides substantial public benefits. The University’s landholdings and land uses are discussed further in section 4 and the substantial public benefits the University provides are discussed in section 5.

3 SPECIFIC CONCERNS AND COMMENTS REGARDING THE DRAFT REPORT
The University makes the following comments in relation to the Draft Report:

(a) It is not clear how using the CIV method will impact on student accommodation, particularly high-rise student accommodation such as the University’s Queen Mary Building and strata title student accommodation such as Selle House. Also, the CIV method does not meet the ability to pay principle in relation to student accommodation;²

(b) The vast majority of goods and services provided by the University have the characteristics of “public goods” or “mixed goods” as opposed to “private goods”;³

(c) The University provides and maintains many of the same services funded by local council rates such as streets and footpaths, parks, libraries, pools and other community services.⁴ These services are discussed further below in section 5;

(d) The University considers that commercial activities and residential uses conducted on the land that it owns generate substantial public benefits for the community and does not agree that these purposes impose additional costs on councils.⁵ The University’s student accommodation and the commercial activities it carries out are essential in providing a sustainable university campus in that they support the overall student experience and are not purely commercial in nature such as those in the private sector. These public benefits are discussed further below in section 5;

(e) The University argues that, on efficiency and equity grounds, land it and the Colleges own should be exempt because that land generates substantial public benefits in a similar way to schools and hospitals;⁶

² Section 3.2.1 on page 31 of the Draft Report.
³ As those terms are described in Box 2.1 on page 21 of the Draft Report.
⁴ As referred to in Box 3.2 on page 28.
⁵ As discussed in section 1.3.2 on page 7 of the Draft Report.
⁶ See Box 6.1 on page 76 of the Draft Report.
(f) It is noted that land owned by private hospitals is proposed to be exempted from rates.\textsuperscript{7} Not all private hospitals are not-for-profit. Non-government schools are already exempt under section 555(f) of the LG Act. The University should be treated in a similar way to schools and hospitals, notwithstanding that the University is not wholly funded by the government (in the same way that private hospitals and non-government schools are not wholly funded by the government);

(g) The definition of “commercial activity”\textsuperscript{8} is far too broad and would capture some of the activities carried out within a large number of properties that the University owns. These activities are discussed further below in section 4. Also, it is not clear whether an activity would only have to satisfy one or all of the limbs to be a commercial activity and there is no definition of “public service”;

(h) The provision of student accommodation owned by the University and the Colleges does provide a public benefit in that it is intrinsically linked to the education and research activities conducted by the University.\textsuperscript{9} Characteristics of the University’s student accommodation are discussed further below in section 6;

(i) The definition of “residential activity”\textsuperscript{10} expressly refers to “student accommodation provided on University campuses”. However, while the definition of “commercial activity” refers to “nominal consideration” as defined by the Australian Taxation Office, the definition of “residential activity” does not. The University currently provides its student accommodation at below 75% of market value, thus satisfying the ATO’s definition. The University’s student accommodation facilities are in strong support of the federal, state and local government agendas to pursue an increased supply of affordable housing. The University is soon to commence construction of hundreds of affordable beds in Darlington and has recently obtained development consent to construct affordable beds on its Lismore campus;

(j) Table 6.1\textsuperscript{11} indicates that “Land used by Universities for educational purposes” will remain exempt, while “University student or other residential accommodation” will become rateable. Research and other land uses permitted by the University under the University Act are not referred to;

(k) Section 556(1)(l) of the LG Act requires land to be used for a specific purpose, that is, for the purpose of a university or a university college and, therefore, the exemption in section 556(1)(l) should remain in the same way that the exemptions for land belonging to a religious body used for its purposes and land belonging to a school and used for its purposes are being retained;\textsuperscript{12}

(l) Based on the reasoning in section 6.3.1 of the Draft Report, rates should not be levied on land owned by the University as it partially funded by the government and provides

\textsuperscript{7} Section 6.3.2 on page 82 of the Draft Report.
\textsuperscript{8} In Box 6.2 on page 78 of the Draft Report.
\textsuperscript{9} See section 6.2.1 on page 78 of the Draft Report.
\textsuperscript{10} In Box 6.3 on page 78 of the Draft Report.
\textsuperscript{11} On page 80 of the Draft Report.
\textsuperscript{12} See section 6.3 on page 81 of the Draft Report.
a public service. Levying rates would result in a transfer of costs between governments;\textsuperscript{13}

(m) While the Draft Report discusses the way in which many subsections of section 555 and 556 of the LG Act will be retained, amended or removed, it is silent on the exemption in section 556(1)(l).\textsuperscript{14} We therefore have not had an opportunity to comment on the proposed amendments to section 556(1)(l);

(n) Given the variety of uses that the University's land is put to, as discussed further in section 4, it would be extremely difficult to calculate the portion of land used for an exempt purpose and that used for a non-exempt purpose. Similarly, it would be burdensome to assess what percentage of time the University's land is used for a non-exempt purpose;\textsuperscript{15} and

(o) To minimise the regulatory burden, universities and university colleges should be included in the list of categories of exemptions where it is presumed that they are unlikely to be involved in non-exempt activities to any great extent;\textsuperscript{16}

The University is particularly concerned about its and the College’s student accommodation becoming rateable. Not only does the University own approximately 1,415 existing beds of student accommodation (including 801 new beds in the previously dilapidated Queen Mary Building, purchased from the NSW Government and Sydney Local Health District and revitalised by the University) located across 78 separate titles, the University has committed significant investment and funds into developing an additional 2,641 beds. If student accommodation properties operated by universities become rateable, similar projects may become unviable in the future. Meanwhile, if our local health district partners were to provide identical accommodation on land they own they would remain exempt under the changes recommended in the Draft Report. The University's affordable accommodation strategy is discussed further in section 6 below.

4 UNIVERSITY’S LANDHOLDING AND LAND USE

The University currently owns approximately 135 properties in NSW.

The most significant of these properties is the University’s Main Campus, comprised of the Camperdown Campus and the Darlington Campus.

On 18 January 1855, Her Majesty the Queen granted much of what now comprises the Camperdown Campus to the University by way of Crown Grant. The significant size of Main Campus and the extent of services and infrastructure provided give it a unique character as a quasi-suburb. Indeed, the University has been allocated with its own postcode, being “NSW 2006”.

\textsuperscript{13} On page 81 of the Draft Report.
\textsuperscript{14} In sections 6.3 and 6.4 on pages 80 to 83 of the Draft Report.
\textsuperscript{15} As discussed in section 6.5 on pages 83 to 87 of the Draft Report.
\textsuperscript{16} Section 6.5.1 on page 84 of the Draft Report.
The Crown Grant specifies that the University was to make a sub-grant of certain lands to the trustees of the Colleges and that the Colleges were to provide “systematic religious instruction and domestic supervision with efficient assistance in preparing for University lectures and examinations” to students of the University with the aim that “religion, virtue, and sound learning may be by means of the said University and Colleges better advanced within our Territory of New South Wales”. The affiliation between the University and the Colleges and the purpose of the Colleges in providing accommodation to students of the University is therefore clear.

The University also has significant other landholdings throughout NSW including in Western Sydney, Narrabri, Orange, Dubbo, Lismore and Marulan. Many of the University’s properties have strong and established links with other public services, for example, local health districts in Orange, Dubbo and Lismore and local primary schools in Broken Hill.

The University uses its properties for a diverse range of activities, all of which are pursued for the purpose of delivering on its public good objectives as legislated by the NSW Parliament. While the principal use of the University’s Main Camperdown Campus is as an education and research establishment, there are many other uses conducted upon it including childcare centres, libraries, sports and fitness facilities, museums, an art gallery and retail and professional services (including 28 cafes, 6 medical and health practices, 1 post office, 2 book stores, 5 banks, 2 bars, 2 travel centres, 2 beauty/hair salons, 2 fashion stores, 1 computer shop and 1 bicycle shop).

On its rural properties and farms, the University conducts, inter alia, agricultural and veterinary science teaching and research into new crop generation, and plant and animal disease prevention and eradication. In addition, the University is supporting government initiatives on these properties in pursuing healthy, sustainable and resilient food production on its environmentally sustainable and contaminant-free lands. In Orange, Dubbo and Lismore, the University’s properties are typically co-located with property owned by the Department of Health where teaching and research within the medical faculties is undertaken.

Examples of activities conducted on land owned by the University include:

(a) Veterinary teaching hospitals at both the Camperdown Campus and the Camden Campus;
(b) Clinical research facility (operated in conjunction with Sydney Local Health District);
(c) Plant Breeding Institute at Narrabri; and
(d) An experimental robotic dairy at Camden.

All these uses are consistent with the objects and functions of the University under section 6 of the University Act. Notably, section 6(3)(a) provides that “the University may exercise commercial functions comprising the commercial exploitation or development, for the University’s benefit, of any facility, resource or property of the University or in which the University has a right or interest (including, for example, study, research, knowledge and intellectual property and the practical application of study, research, knowledge and intellectual property), whether alone or with others”. Section 6(3)(a1) allows the University to generate revenue “for the purpose of funding the promotion of its object and the carrying out of its principal functions”. In addition, the University may “develop and provide cultural, sporting, professional, technical and vocational services to the community” under section 6(3)(b).
As a not-for-profit entity, any surplus revenue generated by the University’s activities is reinvested to support the University’s core teaching and research missions.

The University is concerned that, if the recommendations in the Draft Report are adopted, approximately 80 of the 135 properties it owns would be fully rateable if IPART’s description of “residential activities” and “commercial activities” is applied, while the remainder would be partially rateable in the proportion that “commercial activities” are conducted upon them. This would have a significant financial impact on the University, though we are unable to provide a precise estimate based on the information provided in the Draft Report.

In regard to the mixed-use of many of the University’s properties:

(a) some of the land owned by the University is comprised in very large parcels. For example, 14.28 hectares of the Darlington Campus is comprised in a single lot (being Lot 1 in DP790620) and the University is soon to lodge a Plan of Consolidation, which will consolidate the Camperdown Campus into a single 33.8 hectare lot;

(b) the University considers it would be extremely difficult to assess what portion was being used for an exempt use and what portion for a non-exempt use. For example, while the operation of a veterinary hospital is likely a “commercial activity” and clients are charged for veterinary services, teaching and research are also conducted at the hospital on an ongoing basis. Therefore, it would be very difficult to make an assessment of what portion is used for an educational purpose and what portion is used for a commercial activity.

5 SUBSTANTIAL PUBLIC BENEFITS PROVIDED BY THE UNIVERSITY

The education, research, innovation and social benefits provided by public universities (including the University) are well recognised. The Australian public university sector contributes many billions to the economy and employs in excess of 100,000 staff.

At the local level, the University provides infrastructure and services that have a substantial public benefits over and above its core focus on education and research, not only to the University’s students and staff, but also to the wider community. These include public access to and use of the University’s libraries, spaces for cultural events, community facilities such as childcare centres, sporting facilities (including an aquatic centre), playing fields and stadiums, entertainment spaces, retail facilities and professional services, and large areas of open space. In addition, the University maintains and upgrades the roads, pedestrian areas and stormwater drainage systems within and near its boundaries. These are analogous to the public amenities and services which councils provide in their local government areas.

The University argues that its land is used to generate public benefits as opposed to private benefits because teaching and research facilities, libraries, laboratories, student accommodation, retail and professional services, recreational facilities, open space, and all other associated infrastructure, are integral to the University’s broader educational and research functions which are inherently public in nature. Indeed, the University is prescribed as a public authority for development that is permitted without consent under the State
Environmental Planning Policy (Infrastructure) 2007 (NSW) (Infrastructure SEPP).\textsuperscript{17} In addition, the University is prescribed to be the Crown for the purpose of making Crown development applications under Division 4 of Part 4 of the EP&A Act.\textsuperscript{18}

The past, current and planned future works and services the University contributes that have a substantial public benefit can be summarised as follows:

(a) **Open space**
In total, there are approximately 4.6 hectares of lawn area and 4.6 hectares of garden beds within Main Campus. The grounds are accessible and regularly used by the general public, in addition to the students and staff of the University. The annual budget for open space, planting, repairs and maintenance is $3,200,000.

(b) **Community facilities**
The University provides many facilities and services that allow entertainment, creative and recreational pursuits, education and training, and rest and respite that are open to the public including:
- Three childcare centres providing 148 spaces;
- Nine libraries across Main Campus totalling approximately 30,000m\(^2\);
- Sports and fitness facilities accessible by the public (with an annual budget expenditure of $1,888,131 and $28 million spent since 2012) including 10 outdoor venues, 5 indoor venues (including an aquatic centre with an Olympic-size swimming pool) and 44 sports clubs. These attract over 650,000 visitors per year (excluding staff and students);
- Three museums and an art gallery totalling approximately 5,000m\(^2\);
- The Seymour Centre and several other small theatres and studios;
- Numerous events attracting over 25 million visitors per year (e.g. theatre, libraries, museums, Vivid, fairs, markets, educational forums such as Sydney Ideas);
- The benefit of conservation works to heritage buildings which, since 2014, has totalled $12,850,000; and
- Public access to retail and professional services totalling approximately 4,000m\(^2\) including 28 cafes, 6 medical and health practices, 1 post office, 2 book stores, 5 banks, 2 bars, 2 travel centres, 2 beauty/hair salons, 2 fashion stores, 1 computer shop and 1 bicycle shop.\textsuperscript{19}

In addition, the University is shortly to lodge a State Significant Development Application for a new 8,000m\(^2\) museum building, which is expected to cost approximately $66.2 million and will be located in a prominent position on the Camperdown Campus when arriving from University Avenue. The museum will be

\begin{itemize}
  \item Clause 277(4) of the *Environmental Planning and Assessment Regulation 2000* (NSW) (EP&A Regulation).
  \item Clause 226(1) of the EP&A Regulation.
  \item It should be noted that, although these retail facilities are owned by the University, the vast majority of the rents received from these retail shops goes to the University of Sydney Union, an entity that is separate to the University, which provides a broad and varied range of co-curricular opportunities with more than 200 clubs and societies across 9 categories including: Arts and performance; Degree-related; Faith and religion; Food and Beverage; Ethno-Cultural; Humanitarian; Political; Sport, and Just for Fun.
\end{itemize}
available to and accessible by the general public.

(c) **Traffic and transport facilities**
The University provides roadworks and related facilities that support and augment similar connected works provided by local councils (in particular, City of Sydney Council) and service the public in similar ways to Council road facilities. The University’s spend on transport, traffic, public domain works and strategies between 2014-2017 totals $4,413,605 and includes:
- Abercrombie, Codrington and Lawson Streets works = $2,048,816;
- Darlington Lane Share Road upgrade = $995,000;
- Darlington public domain works = $420,289;
- Gateway between Victoria Park and Camperdown Campus = $566,000;
- Camperdown-Darlington connection to surrounding precincts = public domain strategy and urban design guidelines = $345,000; and
- Camperdown Concept Landscape Plan = $38,500.

(d) **Stormwater drainage**
The University has undertaken, and is planning to undertake, significant upgrades to its stormwater drainage infrastructure to support the planned developments and mitigate any impacts on infrastructure and the environment under the University’s Campus Improvement Program (CIP). The University’s spend in this regard totals $6,545,000 and includes:
- Completed works Camperdown Campus = $2,750,000
- Committed works Camperdown Campus = $3,000,000; and
- Committed works Darlington Campus = $5,795,000.

Further detail and information regarding the amenities and facilities referred to in this section 5 is contained in Annexure A.

### 6 AFFORDABLE STUDENT ACCOMMODATION
The University has identified the need to develop up to 4,000 beds of affordable student accommodation by 2020 to bridge the current under-supply in housing stock and meet the future expected growth in demand.

The University notes the following:

(a) The University’s student accommodation facilities are or will be located on University land and wholly funded, owned and managed by the University. The University has a dedicated Student Support Services department dedicated to the support and wellbeing of student residents;

(b) The University’s development of student accommodation will provide housing for students who would have otherwise lived elsewhere, most likely in adjoining suburbs within councils’ local area;

(c) Students living in the University’s student accommodation will most certainly use the public amenities and services provided by the University including libraries, sporting
facilities and open space as opposed to any other similar public amenities and services provided by councils elsewhere in the local area;

(d) The University’s affordable student accommodation program is an instrumental component in ensuring the retention of students on Campus as well as supporting the University’s success in education outcomes. A high-quality student experience will be central to the student accommodation facilities, and is governed by a best-practice framework incorporating accessibility, transition, retention, academic performance, engagement, careers and security;

(e) The University’s student accommodation buildings will be linked either directly (within the same building) or strategically (adjoining buildings with pedestrian links) to formal University teaching and tutorial spaces, libraries, and 24-hour learning hubs. In addition, every future student accommodation development will provide spaces for quiet learning, group or tutor work, peer to peer learning spaces, breakout spaces, and meeting rooms to allow students to read and engage outside of the formal learning spaces of the broader University Campus;

(f) The University is an endorsed charity pursuant to Division 176 of the A New Tax System (Goods and Services Tax) Act 1999 (GST Act). Under section 38-250(1) of the GST Act, a supply of accommodation by an endorsed charity is GST-free if the rent charged is at least 25% below the GST-inclusive market value of the supply. The University currently retains this GST-free exemption (which applies to both the development and ongoing operation of its student accommodation) by ensuring that the rent it charges to students is at least 25% below the market rate. On 20 July 2015, the University obtained a private binding ruling from the Australian Taxation Office which approved the University’s rent setting methodology; and

(g) It is in both the University’s and the local councils’ interest that the proposed 4,000 affordable beds be developed, as they will help take pressure off the local rental market for low cost accommodation.

For these reasons, the University argues that its student accommodation should not be subject to rates as it is inextricably linked with the University’s educational objectives and outcomes notwithstanding that, on its face, it would seem that such developments will increase the demand for public amenities in the area. If it would assist, the University would be happy to undertake further analysis and modelling to support its argument that students occupying the University’s student accommodation facilities use the amenities, facilities and services provided by the University rather than those provided by councils.
7  SUBMISSION TO COMMONWEALTH GOVERNMENT
In December 2012, the University was involved in making the submission attached as Annexure B in response to the Commonwealth Government's Discussion Paper: “Fairer, simpler, and more effective tax concessions for the not for profit sector”. Many of the arguments raised in the submissions are relevant as to why the existing exemption in section 556(1)(l) of the LG Act should be retained.

8  REQUEST TO RETAIN EXISTING EXEMPTION
For the reasons outlined above, that the University requests that the existing exemption in section 556(1)(l) be retained or that any changes to section 556(1) include an explicit exemption for land vested in the University or the Colleges that is used for purposes consistent with the objects and functions of the University under the University of Sydney Act 1989 (NSW) (University Act) and the Colleges under each of the relevant Acts of Parliament establishing the Colleges (including for residential and commercial purposes).
## ANNEXURE A - SUBSTANTIAL PUBLIC BENEFITS PROVIDED BY THE UNIVERSITY

### Open Space

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<th>Expenditure</th>
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| **Public Open Space**  
In total the Grounds Unit actively manages 55 hectares in the Main Campus. The grounds are accessible and used by the general public.  
Across the Main Campus there are approximately 4.6 hectares of lawn area and 4.6 hectares of garden beds.  
Repairs and maintenance of all open space areas are undertaken by the University Grounds team for all soft-scape area-lawns and gardens and cleaning of hard surfaces. Hardscape repairs and maintenance works, irrigation and tree maintenance are contracted out to specialist providers. | The annual open space spend is $3,200,000 across the University.  
$1,400,000 is allocated to Repairs and Maintenance.  
Annual spend equates to $3 per sqm per annum. |
| **Tree Management**  
Total canopy cover across the Main Campus is approximately 22%. Through an ongoing tree replacement program, the University aims to have a 30% canopy cover by 2030.  
All 2000 trees across the Main Campus are assessed annually and managed through a preventative maintenance program called Arborplan.  
Public access to tree data is available through the campus flora app. CIS and the School of Biological Sciences are expanding this app to include indigenous plant life and a Waterhouse Camelia Walking trail.  
In consultation with the Planning Unit and the City of Sydney Urban Forest Manager, the previous 2009 Tree Management Procedure has been updated and revised into a Tree Management Plan. The aim of | Tree maintenance is the largest expenditure of the Grounds Repairs and Maintenance budget. Annual spend is approximately $77 per tree. |
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<th>Planned Open Space Works</th>
<th>CiS has engaged Gehl Architects to establish a Landscape Master Plan for the Main Campus. Once established, it will form the basis for all public domain works through the implementation of CIP.</th>
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This document is to provide strategic direction for tree management across campus addressing the following key issues:
- Establish the University’s commitment to best practice, excellence and world class standards in managing its tree population;
- Procedures for tree management on development sites; and
- Tree removal and replanting program, supporting CIP.
This document will be reviewed and updated every two years.
## Community Facilities

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<th>Expenditure</th>
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<tbody>
<tr>
<td><strong>Child Care Facilities</strong></td>
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<td>Three (3) centres for 148 spaces at:</td>
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<td>- KU Carillon Avenue – 39 spaces;</td>
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<td>- KU Union Child Care – 47 Spaces; and</td>
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<tr>
<td>- Boundary Lane Children’s Centre – 62 spaces.</td>
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<tr>
<td><strong>Libraries</strong></td>
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<tr>
<td>- Public access to nine (9) libraries across campus (30,000m²).</td>
<td></td>
</tr>
<tr>
<td>- Libraries at: Badham, H Geddes, Burren Street, Bosch, Fisher, Fisher Stack, Law, JFR, and Mallet St.</td>
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<tr>
<td><strong>Sport and Fitness Facilities</strong></td>
<td>Capital expenditure since 2012 is $28,000,000 comprised of:</td>
</tr>
<tr>
<td>- Outdoor Venues: Oval No.1, Oval No.2, The Square, St Johns Oval, St Johns Rugby Oval, St Andrew’s Oval, St Paul’s Oval, SAC Tennis Courts, Fisher Tennis Courts (3 synthetic tennis courts), Manning Tennis Courts (8 lawn tennis courts).</td>
<td></td>
</tr>
<tr>
<td>- Indoor Venues: Sports &amp; Aquatic Centre, Darlington Campus; Arena Sports Centre, Camperdown Campus; Oval No.2 Grandstand &amp; High Performance Centre, Camperdown Campus; Ledge Climbing Centre, Camperdown Campus; Manning Squash Courts.</td>
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<tr>
<td>- 44 Clubs including AFL, Athletics, Basketball, Boxing, Cricket, Fencing, Judo, Netball, Sailing, Swimming, Table Tennis, and Water Polo.</td>
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<tr>
<td>- Numerous sporting events.</td>
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<tr>
<td><strong>Various school and institutions utilising University facilities and grounds.</strong></td>
<td><strong>650,000 visits per year to University facilities (excluding students and staff, coaches, volunteers).</strong></td>
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</table>
| **Existing Museums and Art Gallery** | **Public access to three (3) museums across campus (5000m²).**
- Museums at Macleay, Nicholson and Seymour.
- Public access to the Verge Art Gallery. |
| **New Museum (to be constructed)** | **New 8,000m² museum building to be located in a prominent position on the Camperdown Campus when arriving from University Avenue.**
- This new museum will be available and accessible by the general public. **Approximately $66,200,000** |
| **Events Available to the Public** | **Visitor destinations attracting over 25 million visitors per year (theatre, libraries, Vivid, fairs, markets).**
- 12 significant annual events run by the University Events Office and attracting 55,000 patrons.
- 3 significant educational forums (e.g. Sydney Ideas) attracting over 24,000 patrons per year. |
| **Conservation Work to Heritage Buildings** | **The University is the custodian to a number of heritage listed buildings. These buildings are instrumental in attracting visitors and in visitor education and awareness of heritage significance.**

For the year 2014-2015 the University expended $12,850,000 on the upgrade of the following heritage buildings:
- B01 JD Stewart – roof and façade: $2,000,000;
The University conducts regular heritage tours (*The Old and New Heritage Tour*) around the campus to general visitors, schools and heritage bodies.

| A08 Heydon Laurence – façade: $800,000; |
| A16 Badham – roof and façade: $500,000; |
| A11 Edgeworth David – roof and façade: $1,000,000; |
| A09 Refectory – external façade painting and other works: $1,000,000; |
| A28 Physics – façade painting: $1,500,000; |
| A26 Edward Ford – roof and façade: $1,500,000; |
| F09 Madsen – façade: $800,000; |
| A20 Wooley – chimney: $650,000; and |
| Make safe facades project: $3,100,000. |

The following retail and professional services (covering 3,970 m²) are provided:

- 28 cafes;
- 6 medical and health practices;
- 1 post office;
- 2 book stores;
- 5 banks;
- 2 bars;
- 2 travel centres;
- 2 beauty/hair salons;
- 2 fashion stores; and
- 2 miscellaneous stores (computers, bicycles).

Traffic and Transport Facilities

<table>
<thead>
<tr>
<th>Details</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Abercrombie, Codrington &amp; Lawson Streets – Works and Contributions</strong></td>
<td><strong>$2,048,816</strong></td>
</tr>
</tbody>
</table>
| The University's 2014 Pedestrian & Bicycle Access Solution for the Darlington precinct, including financial and works contributions towards the City of Sydney public domain upgrade works in Darlington including:  
  - Shepherd Street footpath return and connection to University Boardwalk and Abercrombie Street footpath upgrade between Shepherd and Lawson Streets - $1,160,728; and
  - Maze Crescent pedestrian intersection upgrade $888,088.  
In May 2015, the University completed a new pedestrian intersection upgrade to Maze Crescent and adjoining Codrington Street, Darlington. This junction is part of a heavily 4-way trafficked junction, and the pedestrian junction provides for safe and accessible pedestrian movements towards City Road and Darlington, as well as catering for the many visitors and schools utilising the adjoining Noel Martin Aquatic Centre located on the Darlington Campus. | **$995,000** |
| **Darlington Lane Share Road Upgrade** |  
Conversion of City of Sydney Council owned Darlington Lane, Darlington, from a service laneway to a Shared Road, designed to ensure pedestrian prioritisation, safety and accessibility. The project has been closely discussed with RMS and City of Sydney (being the landowner). The project is currently a State Significant Development Application with the Department of Planning. |
<table>
<thead>
<tr>
<th>Project Description</th>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Darlington Public Domain Upgrade Works</td>
<td>New Codrington Street footpath from Abercrombie Street to Darlington Lane and Abercrombie Street footpath from Codrington Street to Darlington Public School.</td>
<td>$420,289</td>
</tr>
<tr>
<td>Victoria Park Upgrade and Gateway to Camperdown Campus</td>
<td>The City of Sydney is currently preparing a $3.6 million upgrade of Victoria Park incorporating walking tacks, lighting and activity areas. The University is contributing $566,000 towards a publicly accessible pathway and ramp that will connect Victoria Park with a new eastern gateway to the University’s Camperdown campus. The gateway connection is designed to satisfy security and safety, and access for persons with a disability, with accessible connections through to the campus’ Eastern Avenue. Planning approvals have been obtained for all works, and which are currently undergoing a tender procurement process with the City of Sydney for construction works.</td>
<td>$566,000</td>
</tr>
<tr>
<td>Camperdown-Darlington Connection to Surrounding Precincts – Public Domain Strategy and Urban Design Guidelines</td>
<td>The University has engaged internationally renowned Gehl architects (from Copenhagen) to inform its strategy of delivering a connected campus through the development of a Public Realm Strategy and Urban Design Guidelines. The Brief seeks development of those principles for the campus itself, but also for connecting to the surrounding public domain and precincts. The Gehl principles will be used to work with the community and other precinct stakeholders to inform the development of strategies which will connect the campus internally and externally, and importantly, invite the community in to the University. In particular we have identified UTS (Gehl has previously looked at public domain principles for UTS), Carriageworks, ATP, future connections to Redfern station and to the RPA and Health precinct.</td>
<td>$345,000</td>
</tr>
</tbody>
</table>
Gehl has been asked to investigate principles for creating rich and vibrant places across the campus including interface areas such as the University/City Road interface area.

**Camperdown Concept Landscape Plan**

During 2014, the University engaged Clouston to prepare a Concept Landscape Plan for the Camperdown-Darlington campus. The Plan provides the University’s campus domain with key Landscape Planning and Design Principles for the whole Camperdown-Darlington campus, and cognisant of the public accessibility and usability of the campus domain.

The Concept Landscape Plan has been endorsed by the University Senate, approved by the Minister for Planning under CIP, and is currently being implemented.

| Camperdown Concept Landscape Plan | During 2014, the University engaged Clouston to prepare a Concept Landscape Plan for the Camperdown-Darlington campus. The Plan provides the University’s campus domain with key Landscape Planning and Design Principles for the whole Camperdown-Darlington campus, and cognisant of the public accessibility and usability of the campus domain. | $38,500 |

Total expenditure across 2014-2017: $4,413,605
## Stormwater Drainage

<table>
<thead>
<tr>
<th>Details</th>
<th>Expenditure</th>
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</thead>
<tbody>
<tr>
<td><strong>Camperdown - Johnstons Creek catchment</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Completed Works Camperdown</strong></td>
<td></td>
</tr>
<tr>
<td>Stormwater drainage concept design and flood mitigation report</td>
<td>$150,000</td>
</tr>
<tr>
<td>Science Road stormwater piped drainage augmentation and gross pollutant trap and oval 2 detention basin</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Fisher Road Stormwater piped drainage augmentation and gross pollutant trap</td>
<td>$1,600,000</td>
</tr>
<tr>
<td><strong>Total Completed Works Camperdown</strong></td>
<td>$2,750,000</td>
</tr>
<tr>
<td><strong>Committed Works Camperdown</strong></td>
<td></td>
</tr>
<tr>
<td>Hockey Square detention basin</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Health precinct stormwater drainage works</td>
<td>$1,500,000</td>
</tr>
<tr>
<td><strong>Total Committed Works Camperdown</strong></td>
<td>$3,000,000</td>
</tr>
<tr>
<td><strong>Darlington - Blackwattle Creek catchment</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Committed Works Darlington</strong></td>
<td></td>
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<tr>
<td>Darlington Lane stormwater capacity augmentation, gross pollutant trap and on-site detention basin</td>
<td>$440,000</td>
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<tr>
<td>Improvements to roads and street lighting</td>
<td>$315,000</td>
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<tr>
<td>Landscape to the open space (Corner Darlington Lane and Codrington Street)</td>
<td>$40,000</td>
</tr>
<tr>
<td>Engineering &amp; Technology Precinct detention basin and culvert upgrades</td>
<td></td>
</tr>
<tr>
<td><strong>Total Committed Works Darlington</strong></td>
<td>$5,795,000</td>
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</tbody>
</table>
ANNEXURE B - RESPONSE TO THE COMMONWEALTH GOVERNMENT’S DISCUSSION PAPER

See separate attachment.