

30 April 2024

Airport Development Group statement on council rates

Darwin International Airport (DIA) is on Commonwealth land and is therefore governed by the lease with the Australian Government and the *Airports Act 1996* (the Act).

There are different rules that apply to the payment of rates (called a 'rates equivalent') which ensure that non-aviation activities residing on airport land do not get a commercial advantage over others.

Unlike other rate payers, the City of Darwin does not provide the same services to the Darwin Airport precinct as it does to other ratepayers. None of roads and road maintenance, street lighting, curbing, footpaths, waste removal, gardening maintenance and landscaping are provided by the City of Darwin. This is done through contracts DIA award to local companies.

All of these costs are borne by the various businesses in the DIA precinct and, when combined with City of Darwin's claim for full rates, results in these businesses being materially worse off than other businesses within the City of Darwin.

DIA has been in dialogue with the City of Darwin for some years on this issue and simply seeks the same outcome as contained within the Act – commercial neutrality (i.e. a level playing field independent of whether businesses are on or off airport.)

DIA has offered to pay the full rates to the City of Darwin, exactly as per council schedules, with council providing the same services consistent with what is provided elsewhere within the city. This was rejected.

DIA subsequently offered to continue to provide and engage local businesses for these services while deducting these costs off the rates to derive a 'rates equivalent', in line with the Act. This was also rejected.

DIA has been making contributions towards the equivalent of rates, but not to the value the council has calculated for rate payers who receive full council services. DIA has written to precinct tenants to keep them informed. DIA does not receive any financial benefit irrespective of outcome.

DIA acknowledge the important role and services that councils provide across our community.

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