

**Question on Notice**  
**Select Committee On The Proposal To Develop Rosehill Racecourse**  
**Concessional tax treatment of Rosehill Racecourse**

At the hearing on 22 July (pages 33-34 of [transcript](#); excerpt attached), I noted that the Australian Turf Club does not pay council rates or land tax on the Rosehill racecourse at a normal market value. Emma Hurst asked what the value of that concession may be.

As background, the [NSW Valuer General](#) describes Rosehill Racecourse as 59 hectares of land, zoned “RE2 – Private Recreation” valued at \$26 million, or \$43 per square metre. This is a very low valuation, reflecting the low financial return on the current restricted use of the site. For comparison, nearby land zoned for detached housing is valued at over \$600/sqm while nearby land zoned for higher density housing is valued at over \$4000/sqm.

In his appearance before the Committee, Peter McGauran of the Australian Turf Club said that, were the racecourse put up for sale as is, it might sell for \$1.6 billion ([transcript](#) p9, 9/8/2024). However, were it upzoned for higher density housing with a new metro station, the market value might be \$5 billion (p10). The \$5 billion estimate represents \$8,400/sqm or about \$200,000 for each of 25,000 new dwellings, which is in line with comparable property sales.

Current [Parramatta council](#) rates are levied at 0.001103 per dollar of land value. If these rates were levied at the current market value of \$1.6 billion, they would amount to \$1.8 million a year. If they were levied at the upzoned value of \$5 billion, it would be \$5.5 million a year.

NSW land tax is levied at a marginal rate of 2% per dollar of land value. If this were applied to the current market value, it would yield almost \$32 million a year. If it were levied at the upzoned value of \$5 billion, it would be \$100 million a year.

The ATC does not separately identify the taxes and rates currently paid in respect of Rosehill racecourse in its published financial accounts. However, under current law, it would be tiny in comparison to the sums above. That reflects the low land valuation and exemptions. This concessional treatment encourages inefficient use of land, exacerbating the housing crisis. Uniform taxation would discourage scarce well-located land being used for low-value uses, like racecourses and golf courses.

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## Select Committee On The Proposal To Develop Rosehill Racecourse

### Transcript

The Hon. EMMA HURST: Dr Tulip, if I could just go back to something that you mentioned earlier, can you expand further on the proposal that you put forward that the ATC should be required to pay rates? Is it the case now that the ATC is not required to pay any rates?

PETER TULIP: This was a proposal put forward by Sydney YIMBY in their submission to the inquiry. I don't know much about the details of this. I mean, I'm attracted to it in principle. My understanding is that they do not pay council rates at a normal market value, nor do they pay land tax. They have property that's worth \$5 billion, they should be taxed the way everyone else is taxed on property like that that they own.

The Hon. EMMA HURST: It sounds like the racing industry's asset, effectively, is being given a tax concession by the New South Wales Government.

PETER TULIP: Yes.

The Hon. EMMA HURST: Do you know how much of a tax concession that would be?

PETER TULIP: No.

The Hon. EMMA HURST: Is that in the Sydney YIMBY submission?

PETER TULIP: I don't remember, I'm sorry.

The Hon. EMMA HURST: That's all right. Are you able to take it on notice? I understand if you don't have access to that information, but if you are able to get access to that information, could you provide that to the Committee?

PETER TULIP: I think it's in the Sydney YIMBY submission.

The Hon. EMMA HURST: You think it might be.

PETER TULIP: I'll read that too.

The CHAIR: Just as a brief advertisement, unfortunately, the Committee members don't have a copy yet of the Sydney YIMBY submission, including myself, for that matter. So just take that in terms of any evidence you might be providing.

The Hon. EMMA HURST: Could you take it on notice? I understand if you can't get that information, but it would be useful if you did have it and it wasn't in that submission.