

IPART  
Review of Domestic Waterfront Tenancies  
PO Box Q290  
QVB Post Office  
NSW 1230

2 Dec 2003

Dear Sir/Madam,

**Re: Proposed Changes to Rental Fees for Jetties in NSW waterways**

I write in response to the invitation to put a submission to the Review of Domestic Waterfront Tenancies inquiry.

I would like to direct your attention to the origin of this issue. Please refer to "Corrected Copy NSW Legislative Council Hansard Article No.20 of 28/10/2003" available at <http://www.parliament.nsw.gov.au/prod/parlment/HansArt.nsf/0/aa1813e5307a7818ca256dd9007f0fea?OpenDocument>.

The issue tabled originated in a piece aired on local television decrying the high profits being made by businesses that have waterfront assets for which they pay minimal rent.

The Hon. Tony Kelly has said "The Government sees no reason why Sydney waterfront properties should not be subject to the same market values as regions outside of Sydney." and that the opposition is happy for "taxpayers to continue subsidising the privileged few".

Firstly, if a market-based approach is to be used to price waterfront rental rates, upon what is the market value based? Is it:

- 1) the value of the entire property, including land and structures? (This would be circular in that the value of the property includes the waterfront structures; the presence of those structures thus results in an increase of their own rent.)
- 2) the value of the structures erected upon the waterfront leasehold?
- 3) the value of the commercial enterprise benefiting from the waterfront lease?

In the regional areas, such as the North Coast, where market-based rents are in place, what is the basis of valuation? Option 2 sounds fair in that those of us who live in water-access-only areas cannot be without some minimal waterfront improvements simply to live. Those who choose to build lavish structures, or make profits resulting from commercial use of those structures, might be expected to pay more.

Secondly, how is my use of a waterfront leasehold for my private pontoon and jetty being "subsidized" by taxpayers? To be subsidized implies a payment of some kind.

Where is this payment? Is the statement by Tony Kelly simply saying because some people live in valued locations that those living in less valued location necessarily subsidise the former? How ridiculous!

I live on (address deleted). It is my only property.

I live there on a full time basis with my wife and two small children. I have a pontoon and a jetty and a workmg boathouse. I keep my commuter boat tied to the pontoon when I am at home. I commute to work each day. I pay a substantial mortgage. I ~~am~~ a volunteer in the local bush fire brigade.

I am not the person the television program has characterised – or rather caricature-ised – as a rich, fat-cat malung millions off a waterfront lease associated with a commercial establishment.

Please stop \_\_\_\_\_ policy as a result of watching Channel 10. Please hint to Michael Costa that he is having his chain pulled by the media.

One additional point, the lease we receive from Lands provides no assurance what-so-ever that the lease will be renewed each year. That fact should make the lease worthless in that Lands can come in at any time and order us to remove all improvements from the waterfront. I think that in return for any increase in the amount I pay each year, I can be given a guarantee that I will be allowed to retain the improvements currently on the waterfront for the length of my tenure or for some long time such as 25 years.

Yours sincerely,

  
Philip Doggett