

& Regulatory Tribunal

P.O. box Q290
QVB Post Office NSW 1230

1/12/2003

Subject: **Rental for Domestic Waterfront Tenancies Review**

We would herewith like to apply for an **extension of the deadline of Friday 5 December 2003** for submissions regarding the review of rental for domestic waterfront tenancies. We were not personally informed of this review, as one would expect as rent paying tenants, and only during the last few weeks gained knowledge of the adverts placed by the Independent Pricing and Regulatory Tribunal of New South Wales in recent editions of the Manly Daily. In order to be able to deal with this issue in an informed and correct manner, we have to ask you to extend the submission time to **March 5, 2004**.

At this time, however, we would also like to object to several points stated in the Review.

The proposed formula implies an attempt to obtain part of the property owner's market appreciation in value of his adjoining property. Most Statutory Land Values, by virtue of actual sale figures, already take into account the availability (but not the quality) of potential or actual waterfront usage. State Government Stamp duties, levied whenever ownership of a property changes, are based on these SLV's. To suggest now that rental rates for the waterfront facilities will be based on the SLV of a property would mean *taxation on taxation*.

When a 6% rate of rental return is stated in the Review, it is not taken into account that in reality waterfront properties would generate closer to 1% of the SLV annually. It should be noted here that no GST is applied to residential property rental, therefore GST should not be charged for domestic waterfront tenancies. In addition, if rents for the licenced area will be linked to UCV which have risen astronomically, this is in direct contrast to market rent rates which have indeed fallen. When Rentals for Waterfront Tenancies are now reviewed, surely they should accurately

reflect current market rental values of adjoining dry land. A return rate based on a statewide house rental average can not justly be applied to a localized SLV.

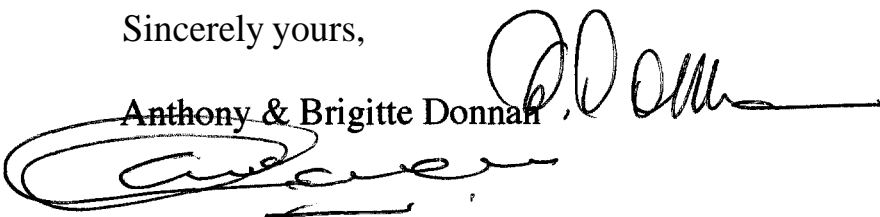
Neither the current nor the proposed rating method takes into account areas not required by the rent paying property owner but for which he/she is charged rent. An example would be foreshore land designated as reclaimed land for which the property owner has to pay a license fee but which is used by Sydney Water for burying sewerage mains. In fact, the adjacent property owner has this land assigned to him and has to pay annual rent for it, although he has no more rights than any other member of the public already has. Therefore it is incorrect of the Review to speak of *waterfront wetlands used for private recreation purposes*, They are in fact public lands with access to all. The formula will charge the tenant for this land at rates equivalent to land that is zoned for residential use. In other words, he is being penalized for the fact that he owns land adjacent to the licenced area.

The numerous conditions of the licence (about 86!) are burdensome and not normal residential conditions. They are, in fact, more like commercial conditions without any commercial rights whatsoever. The Landlord of the licenced area has a monopoly whilst the tenant does not even have access to the Department of Fair Trading as do normal residential tenants. The licensee pays for maintenance and insurance of land that can be traversed and used by any non-rent paying member of the public (an example, last Saturday a wedding party used the reclaimed land for quite a long period of time without any of the adjacent owners knowing who they were); he pays for construction and maintenance of jetties on the licenced area although this area is not Freehold and its use can be revoked at any time by the Landlord. It should be pointed out here that most waterfront facilities do not have vehicular access like the properties to which the valuation is being equated, that no buildings are allowed on the leased areas which is, of course, a very different situation to Freehold land.

We have mentioned here only a few of the objections we would like to submit officially, after due consultation and advice regarding our legal and constitutional rights and thank you in advance for extending the deadline.

Sincerely yours,

Anthony & Brigitte Donnan

The image shows two handwritten signatures in black ink. The first signature is a cursive signature that appears to be 'Anthony Donnan'. The second signature is a cursive signature that appears to be 'Brigitte Donnan'. Both signatures are written over the printed name 'Anthony & Brigitte Donnan'.