

**INDEPENDENT PRICING AND REGULATORY TRIBUNAL  
OF NEW SOUTH WALES**

**NEWS RELEASE**

**IPART Recommends New Licence System for  
Waterfront Tenancies on Public Land**

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is recommending the State Government introduces a new a licensing system for about 8,000 private waterfront tenancies on public land.

The licence fees would cover public land below the high water mark which has been used to build structures such as jetties, swimming pools, boatsheds and boat slipways for private use, or reclaimed to extend privately-owned waterfront blocks.

Under the IPART proposal, a single formula for licence fees would replace the current ad hoc mix of tenancies and leases administered by the Waterways Authority and the Department of Lands.

The recommendation would deliver the State Government a rental return of 3.05 per cent per year on the value of the publicly-owned waterfront land. The value of this land is worked out by applying a discount factor of 50 per cent to the value of adjoining freehold land.

The proposed new licence fees would range from a minimum of \$350 to more than \$10,000 per year in areas where land values are high. Over 80 per cent of current waterfront rentals are between \$70 and \$1,000 per year, although some are as high as \$16,000.

The new formula would apply immediately to new rights holders, but for existing lessees most increases would be phased in over two to six years.

- licence fees where the increase is less than \$1,000 per year would be introduced over two years
- licence fees where the increase is between \$1,000 and \$10,000 per year would be phased in over four years, with a maximum increase of \$2,500 per year
- licence fees where the increase is more than \$10,000 per year would be phased in over six years, with a maximum of \$2,500 per year.

For pensioners who are current rights holders, the new licence payments would be introduced over seven years. In the first three years, their rental payments would increase to a minimum of \$350 per year, but in the following four years increases would be limited to \$162.50 per year. Subsequent annual fees would be capped at 50 per cent of the new rental or a maximum of \$1000.

Pensioners who acquire a tenancy in the future will pay no more than 50 per cent of the rent calculated under the Tribunal's formula.

IPART recommends that rights holders with freehold properties only accessible by water will receive a \$250 rebate on their licence fees, because the jetties and other structures provide a vital service to the individual and the community.

The Tribunal also recommends the current one-three year lifespan of occupancy agreements should be substantially extended. IPART also proposes that licences could be transferred to a new owner if the adjoining freehold land is sold. Currently, the rights cannot be included in a property sale.

Acting IPART Chairman Jim Cox said the new system would introduce more certainty and remove the confusion of leasing arrangements associated with publicly-owned land.

"This land is a valuable community asset and both the State Government and the community are entitled to a reasonable return on the asset," Mr Cox said.

"The current arrangements differ widely, with occupancy rights holders paying a variety of rentals in return for a variety of entitlements."

"The Tribunal believes the current situation is not fair or appropriate for either the rights holders or the people of NSW, who ultimately own the land. The Tribunal has tried to balance the needs of both rights holders and the NSW community," he said.

About 1,400 of the 8,000 waterfront tenancies are in Sydney Harbour, the rest are in Pittwater, Port Hacking and other New South Wales estuaries and coastal waterways.

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**EMBARGOED UNTIL 11:30 AM MONDAY 3 MAY 2004**

**New Licence System for  
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**FACT SHEET**

**Current fees paid by single licence holders by rental payments**

	Number	Percentage
• up to \$250 per year:	3430	42.9
• \$250-\$1000 per year:	3724	46.5
• \$1000-\$2500 per year:	712	8.9
• \$2500-\$5000 per year:	80	1.0
• \$5000-\$10,000 per year:	34	0.4
• more than \$10,000 per year:	20	0.2

**Average Rental Increases under Proposed New Licences**

	Now	New	Increase
• Current fees of up to \$250 per year:	\$174	\$399	\$225
• Current fees of \$250-\$1000 per year:	\$453	\$870	\$417
• Current fees of \$1000-\$2500 per year:	\$1469	\$2769	\$1300
• Current fees of \$2500-\$5000 per year:	\$3346	\$5641	\$2295
• Current fees of \$5000-\$10,000 per year:	\$6701	\$9529	\$2827
• Current fees of more than \$10,000 per year:	\$14860	\$15928	\$1068

NOTE: Nearly 90 per cent of the single waterfront licence holders would have average rental increases of less than \$420 per year.

## Major Locations of Waterfront Leases

- **Sydney Harbour (Waterways Authority)**
  - **Eastern Suburbs:**
    - Rose Bay
    - Vaucluse
    - Point Piper
  - **Middle Harbour:**
    - Northbridge
    - Seaforth
    - Manly
  - **Inner West:**
    - Balmain
    - Birchgrove
    - Drummoyne
  - **Others** – a few in suburbs such as:
    - Lane Cove
    - Gladesville
    - Putney
- **Outside Sydney Harbour (Department of Lands)**
  - **Pittwater – Hawkesbury Estuary:**
    - Clareville
    - Newport
    - Brisbane Waters
  - **Port Hacking:**
    - Sutherland Shire
    - Oatley
    - Sylvania Waters
  - **Hunter**
    - Belmont
  - **Northern Rivers:**
    - Yamba
    - Tweed River
  - **South Coast:**
    - Huskisson
    - Sussex Inlet

Freehold properties accessible by water only are largely in areas of the Hawkesbury River such as Elvina Bay, Little Wobby Beach, Scotland Island and Berowra.