

03 / 12 / 2003

Review of Rental for Domestic Waterfront Tenancies in NSW
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
NSW 1230

Dear Members of the Tribunal,

I would like to **convey** my **objection** to the proposal to dramatically increase the rent for waterfront tenancies (as outlined in Discussion Paper DP7I dated October 2003).

My objection **is** based mainly on the formula proposed for the calculation of annual rents (3% of the Statutory Land **Value** per square metre of the adjoining **land** multiplied by the area of the tenancy plus **10% GST**). I maintain that this **formula** is unrealistic, inequitable and inappropriate.

Unrealistic because it would result in an enormous and sudden increase **in** annual rent. In many cases the rent would be increased by over 1000 % from a few hundred dollars to several thousand dollars per year. This would probably be unprecedented and possibly be illegal (or at least immoral) in any other rental situation

Inequitable because many holders of waterfront tenancies, including self funded retirees and long term residents, do **not** have the **income to enable** them to **pay** several thousand dollars more every year to the NSW Government.

Inappropriate because the **value** of **adjoining land is not** related to any supposed value or area of the tenancies. Some 'waterfront' properties have tidal **mud** flats, sand spits or rock ledges extending for a considerable distance beyond the mean high water mark. These properties require long jetties to provide access to a suitable water depth. Other properties have close deepwater frontages and require a much **smaller length (and therefore area)** of jetty **tenancy**. It would be most unfair to apply the same formula to such **varied** situations.

Further, since GST is not to **be** applied to residential rents, it is questionable whether GST should be applied to the waterfront tenancy rent if this is to be based upon the value of adjoining residential land.

The proposed formula appears to be seriously flawed and should be discarded and replaced with a formula based **on the** present rental, annually adjusted in accordance with the **CPI**. I believe this would not only be administratively simpler, but also fair and equitable.

I respectfully request that the Tribunal give serious consideration to the above issues.

Yours faithfully,

Ronald Giff