

Our reference: 20/537-4

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27 March 2024

Mr Mark Hutchings
Executive Director, NSW Maritime
Transport for NSW
Locked Bag 928
North Sydney NSW 2059

via email

Dear Mr Hutchings

2024-25 update to net rates of return for domestic waterfront tenancies

In 2011, the NSW Government accepted all recommendations of the Independent Pricing and Regulatory Tribunal's (IPART's) 2011 [Final Report](#) on our Review of method for determining rents for domestic waterfront tenancies in NSW (Final Report).

We recommended that IPART carry out an annual update to the net rate of return for each precinct in accordance with the methodology outlined in our Final Report. Attached are the Terms of Reference originally provided by the then Premier Barry O'Farrell in July 2012.

Table 1 (attached) lists the updated net rates of return for the precincts with domestic waterfront tenancies administered by Transport for NSW. Transport for NSW should use these net rates of return to calculate the rental rates (per m²) for domestic waterfront tenancies in 2024-25, as per the formula in our 2011 Final Report.

We will advise you of next financial year's net rates of return by 15 April 2025.

IPART's contact officer for this matter is Sheridan Rapmund, Director, contactable on (02) 9290 8430.

Yours sincerely

27/03/2024

X 

Andrew Nicholls PSM
Chief Executive Officer
Signed by: andrew.nicholls@ipart.nsw.gov.au

Table 1 Net rates of return (RoRs) to apply in 2024-25

Precinct	Gross RoR (%) (A)	Outgoings as % share of Gross RoR (B)	Net RoR (%) (A x (1-B))
Georges River East	2.04	46	1.10
Sydney Harbour East	0.95	53	0.45
Sydney Harbour Inner & North West	1.47	54	0.68
Sydney Harbour Middle Harbour	1.64	50	0.83
Sydney Harbour North Shore	1.32	49	0.67
Sydney Harbour West	1.49	52	0.72