

3rd December 2003

The Chairman
Review of Rental for Domestic Waterfront Tenancies in NSW
Independent Pricing and Regulatory Tribunal
PO BOX Q290
QVB POST OFFICE NSW 1230

Dear Sir,

We have occupied a property in (address deleted), Sydney for three years and wish to make some observations on the proposal and request an extension to the hastily proposed timetable for this review.

Firstly, the proposed formula for calculating rents is poorly constructed in that it fails to differentiate between the vast range of facilities in existence, preferring to rely on the unrelated and therefore irrelevant value of surrounding property. Rents should be based on a logical formula based on the area reasonably utilised as the nature of facilities varies between lessees.

Secondly, the proposed rental rate of 6% bears no relation to commercial rental rates. The yield for leased property of this nature is considerably less as the area in question cannot be occupied, is available to the general public and cannot be sold.

Thirdly, the proposal makes no mention of the maintenance costs that are the responsibility of the lessee which in our case have exceeded \$3,000 this year. This is maintenance under the terms of the contract (which can be terminated annually by Waterways), not improvement. The contracts provide no tenure.

Property owners with access to leased facilities are already subject to stamp duty on property acquisition which includes an amount for the benefits of the facilities available. The Valuer General assessed land tax represents a further annual impost on lessees. This proposal will result in another tax on property already subject to tax.

It is our view the proposal lacks integrity, should be rethought and the deadline for submissions should be postponed in the interests of informed decision making.

Yours Sincerely,

Christopher and Tracey Cahill