

Sheila Fahy

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

By email

Dear Tribunal Members,

Re: Rental for Domestic Waterfront Tenancies

I wish to express my objections to the proposal to increase existing levies and trust that you will consider the following consequences of such a proposal:

- 1) When I purchased the property it included a jetty and pontoon. The cost of construction of these two facilities was borne by the developer and subsequently passed onto me via the purchase price. The improvements to the leased area, namely the jetty and pontoon are what gives the area in question a value. These improvements extend directly from my land over the water. This is not an area that would be available for public use except by water as the only access is via private property. In reality I am being asked to lease my own property which I paid for. The jetty, which incidentally I share with my neighbour, was only completed in 1998. If Waterways had a policy of restricting access to the waterfront this should have been dealt with at the time of construction. It is unrealistic to make such radical changes only a few short years later. Importantly, there are no other taxes on other unrealised personal assets. If it has gone up in value then the Government will gain the extra stamp duty and any CGT when the asset is realised.
- 2) The proposal relates to a levy based on the water coverage and by its calculation suggests that the water is valuable and as owned by the Waterways should attract an additional levy. The value is in the improvements which I paid for, not the small strip of water, which is underneath. To suggest that the water is the valuable land and has appreciated is incorrect because unlike land it cannot be built on except for the existing approved and paid for jetty and pontoon. The use of the water as such has not changed.
- 3) The levy can only be viewed as inequitable tax, in this case singling out waterfront homes. And that is the point, why should we be singled out to pay tax on our home as opposed to anyone else. This proposal only affects a small number of homeowners, even a small number of waterfront homeowners and as such is unjust.
- 4) My pontoon is shared with my neighbour. This is completely consistent with the Waterway policies then and now of wanting waterfront to share facilities as it creates

less pressure on the waterways. Before construction in 1998 the pontoon was fully approved. All the relevant authorities at the time were satisfied with the environmental impacts and as no further construction has taken place since then, it still complies. The actual water area covered when divided between neighbours is already negligible. If I was to be forced to pay a lease levy then we should be entitled to single access, which would be inconsistent with the Waterways policy of wanting residents to share. As I share the facilities with my neighbour, as is the policy, then what is the practical solution if one neighbour does not pay the levy. Can half a pontoon be taken down or rectified?

5) As the ongoing cost of an increased levy will be prohibitive for many personal owners the facilities will inevitably not be maintained. That is to say they will not use the pontoons and wharfs. As they are exposed to harsh elements they will deteriorate quickly and be a complete eye sore from the harbour. The problems this will create and the cost of enforcing a remedy will be far greater than the levies raised. For instance it would be reasonable to assume that the replacement of a simple pontoon structure and associated walkway would be in the region of \$50,000.

Finally, I would hope that you will appreciate that in reality every neighbour I have spoken to feels that this is a completely unjust proposal and an attempt by the Government at another tax grab. I would also expect that a lot of residents are unaware of this proposal and if passed there will be a more serious backlash. In turn, I would expect the backlash to be shown in a refusal to pay the existing levies, which in turn would cost Waterways far more than it will have gained.

Yours sincerely

Sheila Fahy