

The Chairman

Independent Pricing And Regulatory Tribunal In New South Wales.

As a waterfront resident who enjoys access to the waterways via a Licensed area I believe that the current rental is good value and could stand a review.

However the method proposed to increase the rent based on adjusted residential land values and rentals, is flawed and does not take into account the facts....

1.Licensed areas include non exclusive use of reclaimed land upon which no structures can be placed. Rental is charged even though access as a member of the public is a right. In my case this area represents >90 % of the area rented!

2.This area is already included by the Valuer General in calculating Net Land Value. To use this area again is double dipping? Do Sydney Water pay rent for burying their sewerage mains on this land which I pay rent and rates for?

3.To equate this reclaimed land to 50 % of the value of freehold residential land is not supportable. In fact it provides access to the foreshore by the public. As a member of the public the licensee not only has to pay rent, but maintain it, pay rates, insure it and indemnify the Dept of Lands against all claims and demands! Any attempt to equate the value with residential value would come up with a small percentage

4 .The active use area of my licence ,jetty, ramp and pontoon represents only 10 % of the licensed area and if this was the only area upon which your formulae was applied would represent a reduction of c.33 % on current rental!

5.To include the passive use area, reclaimed land ,would increase our rental by 800%!

6.The total costs incurred by the licensee are not insignificant, with capital in the\$ 20,000 to \$50,000 range and up and the maintenance costs can be high too, eg new pontoon \$9,000 in 2000 in my case.

7.Their is no tenure, the licence can be revoked at any time.

8.Rentals have been reviewed and in our case have doubled since inception in 1985.

To sum up both the current system and the proposed system are inequitable as waterfront property owners are charged rent for access that is their right.

I submit that reclaimed land continue under licence at a peppercorn rent mainly to establish ground rules, control and liabilities. Jetties, pontoons etc should be based on rented area at market rates with maximums to protect those in shallow water areas. Market rates to be set area by area by agreement by valuers appointed by the residents and the government.

As the numbers are small could further advises be directly to the tenants, rather than by notices in the press. It would be better practice and might even be cheaper.

Yours sincerely,

Richard Harper