

O'NEIL AUSTRALIA PTY. LIMITED

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

Dear Sir,

It has only just come to our attention that the Tribunal requires submissions to this review by 5th December 2003. The Terms of Reference refer to:

Consultation

In conducting the review the Tribunal should consider submissions from relevant stakeholders.

O'Neil Australia Pty Limited is a long term lessee of an area of 180 square metres on Rose Bay – our property address being (address deleted). We hereby advise the Tribunal that we have not received any notification of this proposed Review and thus have not been advised of the date for submissions. Written advice to lessees must be a prerequisite of any rental review and this has been the practice of the Waterways Authority in past. We were duly notified in August 1991 at the time of the last review and were able to make our submission in good time.

We urgently request the following:

1. That the closing date be extended to allow appropriate time for the preparation of submissions.
2. That all holders of wetland leases (on your advice approximately 1400 such leases are current) as "relevant stakeholders" are notified in writing forthwith of the details of the proposed review.

In the meantime, our preliminary submission is attached but this will be followed by a more comprehensive report in due course.

Yours faithfully,



RODNEY O'NEIL
Director

O'NEIL AUSTRALIA PTY. LIMITED

Submission to Review of Rental for Domestic Waterfront Tenancies in NSW

Our lease with the **Waterways** Authority is described as Lease (deleted) and is 180 **square** metres of wetland in Rose Bay. The property address is (address deleted).

The thrust of **our** **submission** is that the **basis** of the Authority's proposed formula is incorrect. It is not appropriate to link **the value** of wetland to neighbouring freehold dry land. Private waterfront land on Sydney Harbour can **v a y** in **value** significantly for a variety **of** reasons.

Freehold land is **valued** according to many factors such as views, accessibility, building site feasibility, amenity affected by noise and traffic, **proximity** to shopping **and** schools and so on. The value of land is **thus** established by **h e** market **for such** land.

There is no "market" **for** wetland leases **as** there are severe restrictions as to use. Leases are not transferable. Leases are generally granted only to the ownedoccupier of adjoining **dry land** properties, **and** are thus not available for lease to anyone other than that owiedoccupier. Access is restricted accordingly. The use of facilities on wetland leases is not related to the "current market values of adjoining dry land" as suggested by the "agencies".

As stated in the Background Overview of Crown **Land**, the Waterways Authority "generally prohibits the use of its land for residences". It is erroneous therefore to propose a "rate of return.. ..consisrent with analysis of invcslment returns from residential properties rented **throughout** NSW."

The Authority's "support of the use of Statutory Land Value (SLV)," because "it is determined each year for all properties in NSW" is poorly founded. There are dearly other more appropriate ways of regular adjustment of rentals; indeed present practice by the Authority already makes such adjustments. The use of SLV's cannot be justified on this ground.

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It is very important to note that the SLV on our property includes a value for our wetland lease. It is not right that such value is used again in any formula for **the** determination of **rental**.

This is **a** preliminary submission which will be supported by a **further** report within **the** next few **weeks**.



Rodney O'Neil
Director

December 2003