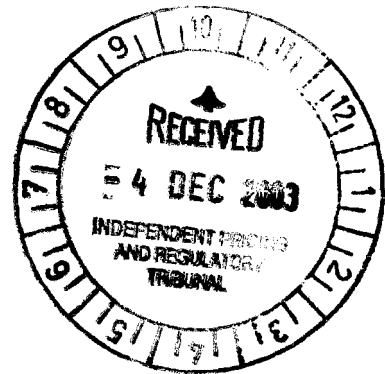


Sydney Harbour Waterfront Owners Committee (SHWOC)'FORMAL SUBMISSION'1st December, 2003

Mr. Thomas G. Parry
 Chairman
 Independent Pricing and Regulatory Tribunal of NSW
Level 2
 44 Market Street
SYDNEY, NSW, 2000 (mailed to P.O. Box 0290, QVB P.O.)



Dear Sir,

Re: Review of Rental for Domestic Waterfront Tenancies in NSW, (Ref: 03/358)

We write in reference to your 'Review', as stated above.

There were **twenty** seven of us ~~at o w~~ meeting last night and two additional long time waterfront owners arrived during that meeting, so this submission to you is now representing twenty nine individual domestic waterfront owners. (Obviously many many more, who we do not know, are in exactly the same position).

We are very concerned about this matter and respectfully request that you and your Tribunal take a particularly close look at a number of issues that you may well be unaware of as at this date.

- 1) The Minister, Mr. Kelly and his associate, the Minister Mr. Costa, have 'lied' in their announcement and press release, stating that waterfront private jetties "have not been subject to a rent increase in 15 years". The SMH naively ran this as a front page story on **28th October, 2003**, obviously without bothering to check the records or the facts.

This is a falsehood and in fact a 'blatant lie'. Many of us have had our lease rentals on these facilities increase within the last **20** months.. ...YES..WITHIN THE LAST 20 MONTHS. The "Fifteen Years" claim is an outrageous lie ! Any first year clerk could do a quick check of the records to show this to be the case.

What is just as bad is the fact that the increases we suffered were **MASSIVE**.....ie, to be specific between **65%** and **70%** in many cases. This has been 'unreasonable by any standard'. Owners were simply told "Take it or leave it". ..i.e. pay it or loose your leases. No appeal, no discussion, no considerations given of any kind. Hitler would have been proud.

And now the State Government wants more. Its just not right.

How dare a Minister of the NSW Government 'lie' like this.....and then of course add the predictable line that such owners are "being subsidised by the taxpayers of NSW". A purposeful political and emotional comment aimed at removing any sympathy that might reasonably be appropriate and 'selling' their plan to hike rents again.

We trust that you, as an ‘Independent’ body, will not be fooled by these lies, which frankly are disgracefully misleading.

- 2) It is essential that your Tribunal consider another deliberately ignored ‘Fact’. Under the terms of private leases, all owners are required to keep their facilities fully maintained and in excellent condition... ..or again, lose their rights to use them.

So, the facilities, (which the private owner.. ..the ‘lessee’. ...paid a fortune to build), must be maintained by the lessee. The area and these facilities are ‘owned’ by the Government, yet the lessee pays to build and maintain them. No problem with that.

But where the anomaly arises is in the fact that ‘maintenance’, which must be done constantly on the harsh salt water environment, literally costs a fortune.

Many owners (lessees) have had to.. ...and will have to continue doing so annually.. ...spending vast sums, (often tens of thousands of dollars).. ...maintaining sea walls, jetties, boat ramps, slipways, etc.

The important point here is that the lessee pays 100% of these ‘very significant’ and ‘on going’ costs. The Government however owns all the facilities, but pays absolutely nothing to maintain them. No contribution is ever given to the lessee, even for sea wall repair, which is a major cost issue on this busy and choppy harbour. Sea walls are collapsing all over the place.

So, the Government owns all our facilities, but we must pay massive and on going amounts to maintain them. This MUST be taken into consideration when any rent review is sought.

We, the lessees, are NOT just paying ‘rent’ for our leases.....we are also paying the ‘heavy maintenance costs’. It would be grossly unreasonable for this significant issue and this very substantial ‘hidden and constantly rising’ ‘on going cost not to be taken into account in this ‘Review’. ...even though the Government’s grab for cash will conveniently ignore this issue.

- 3) Of concern is another belligerent issue not fully explained by the Government. Recently the Waterways Authority has cheekily put a nasty clause in **all** leases as they are being renewed.....(also with the threat of “take it or leave it....no appeal or discussion possible”).

Specifically Clause **49** has been altered to remove any rights a lessee has to their facilities in the event they sell their homes. In other words, if you want to sell your home, in many cases you must first demolish all your waterfront facilities. No lease for them will be offered to any person considering buying the property.

This has a massive DEVALUATION effect on any property, because any new intending owner cannot be sure they will have the use of the very facilities that they would want to have for boating purposes, etc.

The Minister's press release seeks to make a ludicrous point that \$800,000 in value is added to any waterfront home due to its jetty, etc. Yet at the same time their lease clearly states that such a facility will have to be demolished before you sell.

They can't have it both ways. Trying to say the facilities have such a valuation benefit and therefore wanting yet another massive rent increase, while at the same time forcing lessees to sign outrageous conditions in their lease renewals that clearly damages the value of the property, is an appallingly biased argument.

Importantly, many of our group have little or no income, as they are retired and in some cases quite elderly. They cannot afford to renovate their homes let alone face another grab for cash by the State Government, who have lied about the matter to begin with.

Two of our group were threatened by the Waterways Authority that their leases would not be renewed if they spoke to a journalist at the Sunday Telegraph, who was recently researching this matter.

Waterways have long been run like a Nazi regime. There are many examples. Lessees are treated like criminals. Jealousy seems to be a problem with some of the zealots at the higher levels at Waterways who delight in wielding their perceived power.

Most people are concerned about this environment of threats and retributions, hence the formation of our group, so no individual need be targeted by the zealots as a pay back for speaking up and informing you and your Tribunal of the truth during this review.

At our recent meeting a decision was made to go to the media with these details and at the same time expose the threats, etc that has become a common fact at Waterways. Fortunately, cooler heads prevailed and we decided to commit the facts in writing and present that to you, as an 'Independent' body, in the first instance.

Depending on the outcome of this review, the group of course can then, if justice continues to be necessary, pursue the option of highlighting to the media what has been going on, and the lies from the Minister, etc.

The matter of 'Abuse of Government Power' by the Waterways zealots will most likely be drawn to the attention of the Ombudsman, who is best placed to review the many extraordinary examples of threats and power mad behaviour that occur almost daily.

We place our faith and trust in your Tribunal to ensure that these issues that we have drawn you attention to, are taken into consideration, so people who have already endured outrageous and massive rent increases, (in recent times.. ..despite the Minister's "15 year" lie), will not again be mugged in a blatant grab for cash.

We thank you for your consideration of these facts.

Yours sincerely,



Sydney Harbour Waterfront Owners Committee