

23 November 2003

Mr T G Parry  
Chairman  
Independent Pricing & Regulatory Tribunal  
of New South Wales  
P O Box Q290  
QVB Post Office  
NSW 1230

Dear Sir,

I would like to submit to your Committee the following issues for consideration in your review of domestic waterfront tenancies in New South Wales ;

- Your Tribunal has been requested to review and report on aligning rental returns to reflect **and** maintain their market value ; whilst the granting and retention of a licence is solely at the discretion of the Minister how can it have a market value? It was made quite clear to me when I purchased my property that there was no certainty I would be granted a licence which would allow me to retain the waterfront facilities constructed at the waterfront of my property. The licence is not something I can sell nor transfer.  
If any commercial value can be attributed to the licence then surely that value can only reflect a convenience value relevant to the unexpired annual rental period at any point in time.
- When you come to consider the basis of “ valuing ” my licence to decide on a rental return formula I would like you to consider the following points;
  - 1... I have no exclusivity to the licenced area. The public are free to traverse same.
  - 2... The licence is issued at the sole discretion of the Minister.
  - 3... The structures on the licenced area have been constructed at the expense of the licensee.
  - 4... The maintenance of structures on the licenced area is the responsibility of the licensee.
  - 5... There is no vehicular access to my licenced area.
  - 6... As a tenant I have no right of appeal or review to an independent authority in relation to any issues affecting my licence or its annual renewal.
  - 7... The structures on the licenced property are incapable of occupation making any reference to residential rental returns inappropriate.
- The formula proposed by the Department of Lands & Waterways Authority based on the value of adjoining land has no logical basis in view of all the issues stated above.  
My adjoining land reflects my title to that property with all its inherent rights. The licence for occupation of land by my jetty and berthing pen has no such

rights. As pointed out above I have no right to transfer ,I have an obligation to maintain the structure on the land and an obligation to remove same if my licence is not renewed ,the general public retain a right to traverse the licenced property etc.

To relate a rental of the land to the market value of adjoining land which is without similar restrictions is totally unreasonable and seems to me to be totally at odds with and has no relationship to your brief of “ensuring rents cover the costs of administration”. It is a formula proposed to ensure a continually growing income stream based on growing property values without recognising the Qfference between freehold property and a licence and without considering the restrictions upon which a licence is granted.

- The proposed formula does not reflect variations in the licenced land. A deep water frontage and berthing pen which is not subject to restrictions caused by tidal movements must surely have a different value to one that has tidal limitations. Yet the value of residential land adjoining the licenced area does not reflect tidal restrictions on an adjacent licenced berthing area.

I urge you to look at the consequences of adopting the formula proposed by the Department of Lands and Waterways Authority and recognise the precedent that will establish and to look to formulating a more appropriate approach to the issue of licences . If waterfront licences are considered to be a marketable asset then I urge your Tribunal to seek the issuing of licences with conditions and rights commensurate with a commercial lease.

Thank you for the opportunity of making this submission.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Murray Thompson', with a stylized flourish at the end.

Murray Thompson