

# Agenda – Public roundtable for IPART’s review of the current method of rent determination for domestic waterfront tenancies in NSW

Monday, 27 June, 2011

9.00am to 5.00pm

Wesley Theatre, The Wesley Centre, 220 Pitt Street, Sydney, NSW

## **Roundtable participants representing the following organisations (subject to confirmation):**

- ▼ IPART (Tribunal members and Secretariat)
- ▼ Crown Lands Division (CLD) of the Department of Primary Industries
- ▼ NSW Maritime
- ▼ The Valuer General
- ▼ Land and Property Information
- ▼ The Waterfront Action Group (WAG)
- ▼ Sydney Harbour Association
- ▼ Sydney Harbour Councils Group
- ▼ West Pittwater Community Association
- ▼ Home Access Association

## **Other attendees**

Interested parties and members of the public are welcome to attend the event, and will have an opportunity to provide comment and/or ask questions at the relevant times that are noted in the agenda (see below and following pages).

## **Format of proceedings**

As outlined in the following pages, the day will be split into 4 sessions. For each session, IPART will give a brief introduction. The Chair will then invite participants sitting at the roundtable to respond to IPART’s introductory comments and/or comments made by other roundtable participants. Once the roundtable participants

have put forward their positions, the Chair will then invite members of the audience to make statements or ask questions.

#### **The transcript of the roundtable**

The roundtable will be recorded by transcribers. A copy of the transcript will be made available on IPART's website shortly after the roundtable.

# Agenda

## Registration

9.00am Registration

## Introduction

9.30am Opening comments (IPART)

### Session 1: Determining the value of tenancies ('occupancies') for the purposes of calculating rent

9.40am Introduction (IPART Secretariat)

9.45am Comments from roundtable participants

11.15am Comments and questions from the general audience

#### Key points for discussion:

How should the value of occupancies be determined for the purposes of calculating rent?

- ▼ Should we maintain the current PSLV approach, or make amendments to it?
- ▼ Should the current 50% discount factor be maintained or amended? Should the discount factor vary between occupancies?
- ▼ Should the current precinct boundaries be amended? If so, on what basis?
- ▼ Are there alternatives to the PSLV approach - eg, asking the VG to directly value each occupancy or a sample of occupancies, or using alternative sources of indicators of value? If so, what are the implications for other elements of the rental formula - eg, the discount factor, the use of precincts, administration costs to be recovered, etc?

11.40am Morning break (25 mins)

## **Session 2: Determining the appropriate rate of return**

**12.05pm Introduction (IPART Secretariat)**

**12.10pm Comments from roundtable participants**

**1.10pm Comments and questions from the general audience**

### **Key points for discussion:**

- ▼ How should the rate of return be determined and updated over time?
- ▼ Is the residential property market the most appropriate proxy market for determining the rate of return? If so:
  - Over what geographic area and time period should the rate of return be calculated and applied?
  - What outgoings should be deducted from the gross rate of return in the residential property market to determine the net rate of return to be applied in the rental formula? What does this equate to in percentage points?
- ▼ If not, what alternative source should we use to calculate the rate of return, and what are the implications (if any) for other elements of the rental formula?

**1.30pm Lunch break (45 mins)**

## **Session 3: Concessionary arrangements and other matters**

**2.15pm Introduction (IPART Secretariat)**

**2.20pm Comments from roundtable participants**

**3.20pm Comments and questions from the general audience**

Key points for discussion:

- ▼ In what circumstances should the rental formula or charge be adjusted and how?
  - What charges or arrangements should be in place for water access only properties?
  - What charges or arrangements should be in place where the occupancy is shared?
  - Are there other proposed cases or circumstances for special consideration?
  - Are current concessionary arrangements appropriate?
- ▼ What happens, and/or what should happen, if a person wishes to discontinue a lease or licence?

**3.50pm Afternoon break (20 mins)**

## **Session 4: Incorporating administration costs into rents**

**4.10pm Introduction (IPART Secretariat)**

**4.15pm Comments from roundtable participants**

**4.45pm Comments and questions from the general audience**

Key points for discussion:

- ▼ How should Maritime's and CLD's costs of administering domestic waterfront tenancies be recovered?
  - Should administration costs be recovered via:
    - a flat fee to all occupancies (per agency), in addition to the rental charge;
    - an addition to, or included in, the rate of return;
    - a minimum charge (as is currently the case); or
    - other means?
- ▼ How should administration costs be reviewed and updated overtime?

## **Conclusion**

**5.00pm Concluding comments and where to from here (IPART)**

**5.10pm Close.**