

Domestic waterfront rent calculations

The NSW Government has adopted the Independent Pricing and Regulatory Tribunal (IPART) 2011 recommendations for the calculation of rent for domestic waterfront occupancies on Crown land.

Rent calculation

The total annual charge for domestic waterfront licences comprises two parts—an administration fee and a rental charge.

$$\text{Total annual charge (\$)} = \text{administration fee} + \text{rental charge}$$

Administration fee

The administration fee is currently \$252 (excl. GST). The fee increases annually on 1 July by the NSW Government annual cap on public sector wages - currently 2.5%.

Rental charge

The rental charge covers the area of occupation of Crown land as shown on the domestic waterfront licence. The rental charge is calculated using the four elements outlined below.

$$\text{Rental charge (\$)} = \text{PSLV (\$/m}^2\text{)} \times \text{area of occupation} \times \text{discount factor (50\%)} \times \text{rate of return (\%)} + \text{Annual administration fee}$$

Precinct statutory land value (PSLV)

The PSLV is updated annually on 1 July using the median statutory land value of freehold waterfront properties and their adjoining occupancies within a precinct. The statutory land value is the unimproved land value that is determined by the [NSW Valuer General](#).

The PSLV is calculated on a three-year rolling average. This time frame aligns the PSLV with the rate of return, another component used in calculating the rental charge.

Area of occupation

The area of occupation is the area of Crown land that is used and occupied under a domestic waterfront licence.

Discount factor

The discount factor as set by IPART is currently 50%. The discount factor is a reasonable estimate of the typical difference in value between domestic waterfront licence and the PSLV.

Rate of return

There are 14 precincts identified along the coast of NSW. Each precinct has its own rate of return that is updated annually on 1 July. The net rate of return for each precinct is calculated using:

- rental rate of returns for residential non-strata properties
- sales and rent data from Property NSW and Housing NSW
- a three-year rolling average updated each financial year to match the time period for PSLV's

- outgoings calculated as a percentage of the gross rate of return using the Australian Taxation Office’s statistics. These outgoings will be subtracted from the gross rate of return to determine the net rate of return.

GST

GST is applied to both the administration fee and the rental charge.

Precincts

The eastern seaboard of NSW is divided into 14 precincts, each with its own unique PSLV and rate of return. Figure 1 below is a map identifying the location of each precinct and Table 1 lists the rent calculation applicable to each precinct for the 2022-2023 financial year.

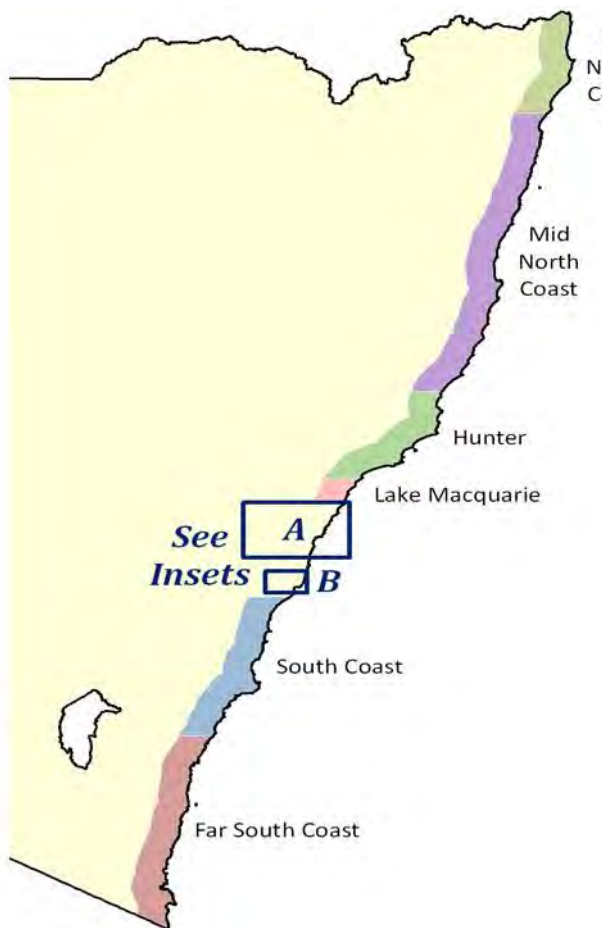


Figure 1. NSW domestic waterfront precincts

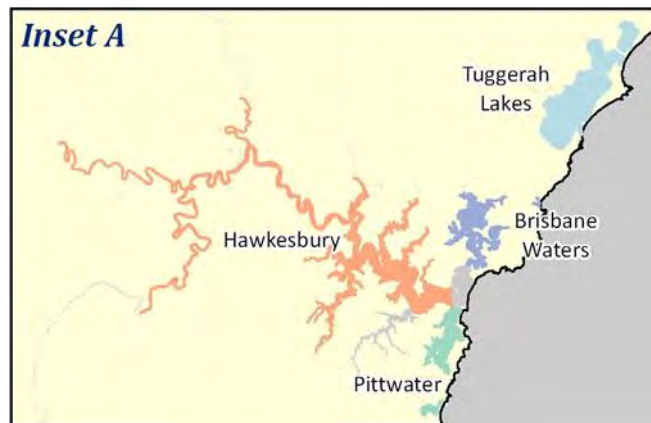


Figure 2. Inset A—the Tuggerah Lakes, Brisbane Waters, Hawkesbury and Pittwater area



Figure 3. Inset B—the Georges River West, Georges River East, Port Hacking West/South and Port Hacking East area

Table 1. 2022-2023 rent calculation per precinct

Precinct	Rent calculation						
	PSLV	x	rate of return	x	discount factor	x	area = rent charge
<p>Far North Coast</p> <p>Rate per m²: \$5.38</p> <ul style="list-style-type: none"> From Tweed River to Richmond River Including inlet at Kingscliff, Cudgen Creek 	\$530	x	2.03%	x	50%	x	area = rent charge
<p>Mid-north coast</p> <p>Rate per m²: \$1.50</p> <ul style="list-style-type: none"> From Clarence River to Greater Taree and the Manning River. Includes Bellingen River, Nambucca Head, waterway south of Valla Beach, Lower Nambucca, and Hastings River 	\$146	x	2.05%	x	50%	x	area = rent charge
<p>Hunter</p> <p>Rate per m²: \$1.55</p> <ul style="list-style-type: none"> Great Lakes from Wallamba River to Karuah River including Myall River, Karuah River to Port Stephens including upstream of Williams River from Raymond Terrace 	\$201	x	1.54%	x	50%	x	area = rent charge
<p>Lake Macquarie</p> <p>Rate per m²: \$7.51</p> <ul style="list-style-type: none"> Entire Lake Macquarie foreshore 	\$825	x	1.82%	x	50%	x	area = rent charge
<p>South coast</p> <p>Rate per m²: \$4.04</p>	\$690	x	1.17%	x	50%	x	area = rent charge

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Fact sheet

<ul style="list-style-type: none"> From Shoalhaven and Crookhaven rivers to Tabourie Creek. Includes Currarong Creek, Currambene Creek, St Georges Basin - Sussex Inlet, Conjola Lake, Burrill Lake 	
<p>Far south coast</p> <p>Rate per m²: \$2.40</p> <ul style="list-style-type: none"> From Clyde River to Wonboyn River. Includes Tomaga River, Moruya River, Tuross River, Wagonga Inlet, Wallaga Lake, Merimbula Lake, and Pambula River 	$\$329 \times 1.46\% \times 50\% \times \text{area} = \text{rent charge}$
<p>Tuggerah Lakes</p> <p>Rate per m²: \$6.15</p> <ul style="list-style-type: none"> Entire Tuggerah Lake foreshore 	$\$631 \times 1.95\% \times 50\% \times \text{area} = \text{rent charge}$
<p>Brisbane Waters</p> <p>Rate per m²: \$10.24</p> <ul style="list-style-type: none"> Entire Brisbane Waters foreshore from Booker Bay to Wagstaffe, includes Terrigal Lagoon 	$\$1321 \times 1.55\% \times 50\% \times \text{area} = \text{rent charge}$
<p>Hawkesbury</p> <p>Rate per m²: \$2.41</p> <ul style="list-style-type: none"> Hawkesbury River extending up into the Macdonald and Colo rivers 	$\$342 \times 1.41\% \times 50\% \times \text{area} = \text{rent charge}$
<p>Pittwater</p> <p>Rate per m²: \$8.81</p> <ul style="list-style-type: none"> Entire Pittwater foreshore from the 	$\$1745 \times 1.01\% \times 50\% \times \text{area} = \text{rent charge}$

reserve opposite Palm Beach to Coasters Retreat, includes Scotland Island and Narrabeen Lagoon	
Georges River East Rate per m ² : \$13.29 <ul style="list-style-type: none"> From San Souci on northern side and Taren Point on the southern side to the Como Bridge 	$\$1998 \times 1.33\% \times 50\% \times \text{area} = \text{rent charge}$
Georges River West Rate per m ² : \$8.67 <ul style="list-style-type: none"> West along Georges River from Como Bridge including Mill Creek and south along Woronora River 	$\$1097 \times 1.58\% \times 50\% \times \text{area} = \text{rent charge}$
Port Hacking East Rate per m ² : \$12.99 <ul style="list-style-type: none"> From Cronulla Peninsula to Yowie Bay 	$\$1855 \times 1.40\% \times 50\% \times \text{area} = \text{rent charge}$
Port Hacking West/South Rate per m ² : \$8.51 <ul style="list-style-type: none"> From Yowie Bay around Port Hacking to Bundeena Bay 	$\$1120 \times 1.52\% \times 50\% \times \text{area} = \text{rent charge}$

Water access-only properties

Water access-only properties are exempt from the rent charge for the area of the domestic waterfront licence that is used for the sole purpose of accessing the property.

Table 2 lists structures that are essential and therefore exempt from rent and structures that are discretionary. If you believe that the structures authorised by your domestic waterfront licence have not been classified correctly, then you may apply to the NSW Department of Planning, Industry & Environment – Crown Lands for a review of the essential occupation area. You will need to submit a [Licence: Domestic waterfront water access-only occupation area review](#) application for the department to assess the matter.

Table 2. Essential and discretionary structures

Essential structures		Discretionary structures
<ul style="list-style-type: none">• jetty (including solid fill and stone)• wharf• platform• landing	<ul style="list-style-type: none">• jetty ramp• pontoon• berthing area• slipway*• boat ramp*	All other structures not listed as an essential structure, including boat lifts, boat sheds, reclamations, swimming pools and enclosures, residences

*Only applicable where there is no other essential structure

Payment of rent

Rent is re-determined annually on 1 July using the updated PSLV and rate of return figures provided by IPART. As properties change hands, domestic waterfront licences are transferred to the registered owners of the adjoining waterfront property and commence on the date of registration shown on the land dealing (typically settlement date).

By default, the total annual charge is billed in quarterly instalments. To request a change to annual payments, please call the Accounts Team on 1300 886 235.

More information

Post: Waterfront Tenures Team
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