Dear Sir

Re: Review into Rentals for Waterfront Tenancies on Crown Land in N.S.W.

We are greatly alarmed & deeply disturbed on the impact this unfair proposal to increase rents will have on us financially and mentally.

Points of objection:

There are two components of the new formula that combine to arrive at the resulting licence fee. I believe the rationale for the calculation of both components is flawed.

(1) Valuation of land under licence = value of attached freehold expressed as a value per m² then discounted 50% & in order to "reflect analysis of sales of remnant land parcels" and also recognition that "the authority generally prohibits the use of its land for residences

I believe the valuation of the PO land must be significantly reduced beyond the 50% discount because.

Cost of structures.

The construction + maintenance costs of the structure which enable the waterfront to be used are borne by the license holder whether it is the original holder or a new purchaser who pays for the costs in the purchase price of the adjoining property as well as to the Government in

the form of extra Stamp Duty. The reversed SLV indirectly takes the value of the use of these structures as properties change ownership. To then suggest that the holder pays rent to use his own structures is ~~again~~ inequitable.
No Building improvement or modification can be made to the leased area. This is a very different situation to land that is owned by the license holder.
The only market for the property is to the owner of the adjoining freehold.
Lack of exclusive use. The public have access over the leased area.
All structure + maintenance of these structures must be paid for by the licensee.
Another point is that neither the current rating method, nor the proposed rating method, take into account areas not required by the property owner, but included in the leased area. For example, foreshore land used by Sydney Water for burying sewerage main and what is designated as reclaimed land for which the property owner has to pay a license fee. Such land is being "assigned to" the adjacent property owner, and he is being charged for access to the land for which, as a member of the public he already has rights. The adjacent property owner gets no rights over such land. But the formula will charge him for it at rental rates equivalent to land that is zoned for residential use.

(2) Rental Rate – A 6% return on the value of the land under licence "Consistent with analysis of investment return from residential properties rented throughout NSW. This land is not a residential property so why use this benchmark. Rental returns for waterfront/high value properties are well below average returns and closer to 1% than 6%.

To nominate a return rate based on statewide house rental average and then apply it to a localized SLV is not only inequitable but also grossly misleading. If rental returns are to be used as a standard then any equitable calculation for waterfront tenancy rental should be based on a percentage (related to actual land area) of the average of house rental returns for waterfront properties in a given geographical area. Again I point out that waterfront properties would generate far less than 3% (probably in the order of 1% of the SLV annually including the use of waterfront facilities

Other reasons for the rental return for the property to be discounted from the normal average are:

- Management of the PO property is the responsibility of the Licensee
- All maintenance of the property is at the expense of the Licensee
- Any improvements are paid for by the Licensee
- PO rent is paid annually in advance while residential property rent is paid weekly or fortnightly
- License to occupy can be withdrawn with no notice
- No compensation is available in the event of the license being revoked
- No mediation of dispute through normal channels.
- All costs for both sides for any dispute must be borne by the licensee.
- All costs levied on the said land is paid by the licensee
- The licensee must indemnify the licensor from any liability (31)
- No ability to sub let any part of the property
- A security deposit in excess of 12 month rent is held by the licensor

- The value of the security deposit can be increased by the licensor at any time
- When transferring the license to a third party the licensor may retain the security deposit until the new security is in place.
- Rent for a residential property does not attract GST
- There is no facility for a fair market condition as the licensor has a monopoly.

We are also concerned that it was just pure chance we found out about your proposal and that you did not have the decency or courtesy to post out the proposal to the hundreds of people involved to give them the opportunity to object when this proposal is going to affect them so enormously.

It also concerns us that there is such a tiny window of ~~a~~ time between when a insignificant obligatory notice appeared at the back of a newspaper and the cut off day for objecting.

Since we are battlers who have to work hard with very little free time especially this time of the year. What are you trying to do? Make it so only the mega rich can afford to buy waterfront blocks.

This is totally contrary to what used to be the Australian way of giving people a fair go.

Y & &

W Barlow