

FOR ATTENTION: DR PARRY

This e-mail is a formal submission in response to the NSW State Government's planned change to how they charge/calculate Rent for properties that have Permissible Occupancies/Waterfront Tenancies.

I cannot protest too strongly at the proposed formula that is outlined to arrive at a new rental for Permissible Waterfront Occupancies.

Quite simply, to relate it to the SLV of my block of land is preposterous in the extreme and an absolute disgrace.

In the case of the residents of Horseshoe Cove (in Newport) , at our own considerable expense entirely (no funding support from local or state government), we transformed a highly polluted tidal zone into a very attractive public amenity. One of the very key words in this whole debate is "public". The public have full, free and unfettered access to this entire area whilst we pay a rental and license fee which is already subject to CPI increases and GST. After reclamation, a magnificent stone seawall was erected and the entire area beautified, all at our expense, and at the same time we have maintained the entire area in pristine condition for many years. This is, of course, only adversely affected when the Waterboard arrive to service their pumping station and completely dig up the Permissible Occupancy area. Not surprisingly, ground rectification is again left to the tenants and at our own cost. A perfect example of how they destroy the area that we work so hard to look seamless to our own land is there for you to inspect now as recent servicing has just been undertaken and left in its usual disgusting condition.

These new fees if passed will be higher by approximately five (5) times or more for a small piece of land adjoining our properties than our existing Council Rates for our own land that we actually have rights over compared to the Permissible Occupancy area. You could not, in all honesty, claim that to be fair, justifiable or equitable. The effect on pensioners and Self Funded Retirees (of which I am one) will be devastating and in some cases will force them from their family homes. I do not hesitate in telling you that should the effect on me be as calculations have shown it will be, I will certainly be one forced to sell and move on. I simply could not afford the exorbitant increase. Again, can you claim this to be fair or equitable, let alone justified. I cannot imagine any Government Policy ever wanting to do this, even this State Government which is already reaping the enormous financial benefits of Stamp Duty, etc.

Another inequitable point in this whole issue is that neither the current rating method or the proposed rating method takes in to account areas not required by the adjoining property owner, but is actually included in the leased area for calculation purposes. Foreshore land used by Sydney Water to run their sewerage line and house their pumping stations to accommodate their overflow discharge is all unreasonably designated as "reclaimed land" for which the property owner has to pay a license fee - even though used by a government department, operated by the same Government who now, of course, is looking to charge more for simple access. This all smacks of a continuation of the rot that is Stamp Duty.

Such land is being assigned to the adjacent property owner who is being charged for access to land for which as a member of the public he already has rights to. In fact, exactly the same

rights and no more, as another member from the public not residing on the adjacent land. The adjacent property owner gets no extra rights over such land, but the intended formula will charge him for it at rental rates equivalent to land that is zoned for residential use and that he has freehold title. The present calculation method is not equitable now as already illustrated. However, this inequity would be up to five times or more financially destructive and morally inequitable under the new formula.

Statutory land values by virtue of actual figures already take into account the availability for (but not the quality of) the potential or actual waterfront usage. The SLV's are used to calculate State Government Stamp Duties that are levied whenever the property changes ownership. To now suggest that rental rates for the use of waterfront facilities will be based on the SLV that has already taken into account the value of such facilities is to suggest an inequity of gross proportions equating to no less than taxation on taxation.

Other relevant points:

1. Native Title Rights have not been extinguished.
2. Absolutely no structures of any kind can be built on the land in question.
3. The only market for the property is the adjoining freehold owner.
4. Right to the Permissible Occupancy can be revoked at any time.
5. The public has free, full and unfettered access at any time, 24 hours-a-day.
6. The only use it provides for a Permissible Occupancy holder is to simply walk on which is the same for the general public, except that the holder pays for the privilege.

The issue is therefore simple. To charge rent at a square meterage rate equivalent to the value of my own personal freehold land is unjust, inequitable and a simple grab for money.

And please don't be fooled into believing that you are simply chasing money from "rich waterfront land owners". I have personally owned this land for nearly 40 years and bought it at a time when no one wanted to live in this part of Sydney and this whole area was at the very cheap end of the Sydney property market. To force me to leave my family home by charging me approximately 5 times p.a. for land that I only have the right to walk on, when as a self funded retiree I am already struggling to pay the current figure in the thousands p.a. (and tie this calculation to the same value as my freehold title) for the same privilege is a disgrace when I don't have anywhere near the same rights as my freehold title. However, should this new calculation method be approved by your so-called independent body (which I find hard to believe given that your web site is adorned by the State Government crest), I would have no other alternative but to leave.

Yet, emotional arguments aside, it should be abundantly clear that the new calculation method is grossly inequitable.

I would be more than happy to discuss this further with yourself or any other member of your staff. I can be contact on (details deleted).

Yours sincerely

Ernest Fraser-Hills