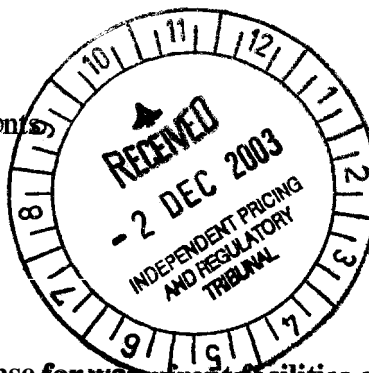


Review of rental for Domestic Waterfronts
I.P.A.R.T.
P O Box Q290
QVB Post Office
NSW 1230



Ref proposed increase in costs of license for waterfront facilities attached to my home here at (address deleted)

It seems that the calculation proposed for the rentals is based upon a simplistic view of what is a very complicated need to assess the value of a reclamation that in most cases does not simply follow the value of the attached freehold land.

However to follow the flawed reasoning the first comment I make is that the 6% return is simply incorrect.

My property was purchased in 1990 for 780,000.00 it then had a land value according to the VG,s valuation of 370,000.00.

It now ~~has~~ a value of about 2,500,000.00 with a land value of 818,000.00.

I ~~as~~ recently ~~as~~ September this year contacted 2 agents to ascertain the rental return I would get ~~for~~ the house and kilities over a long term rental.

This was established at best \$1500.00 per week with the agent placing no value upon the reclamation. i.e. we would not get any less if the reclamation did not exist!

On the basis of the rent we could ~~obtain~~ it would approximate to about \$70,000.00 per annum net after direct charges but considerably less if repair and maintenance, land tax and depreciation were allowed for.

On the above calculation the net return is 3.57% but after R&M and Land Tax etc closer to a net 3% per ~~aunum~~ some 50% less than the proposed formula.

Whilst disagreeing totally with the flawed concept of trying to align wetland reclamation with the value of the surrounding property the above actual calculation shows at least the percentage attributed is hopelessly inaccurate as regards a value placed upon the wetland and the statement below in the document.

("The Department and the Authority indicate a six per cent rate of return is consistent With analysis of investment returns from residential properties rented throughout NSW and decisions,")

So without labouring the point it would seem the basis for the one is wrong surely then the reasoning for the others is also incorrect.

Yours Sincerely
Hugh Knox