

LEES HOUSEHOLD.

1/12/2003

Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB post Office NSW 1230

Dear Sirs

We have been absent interstate from October 2nd until 10 days ago. It was only 8 days ago that we learned of the rental review for waterfront tenancies.

We request that more time be given so that we may consider a proper response to the changes proposed by Waterways.

We believe that in order to submit a proper response we should obtain expert advice, consult with our neighbours and give this serious matter proper reflection. We do not now have time to do so and indeed believe that even had we known on the 17th October, time would have been insufficient.

In the short time available my wife and I believe that the following points should be considered in relation to the "formula" proposed to be used to recalculate our rental.

1. We do not believe that the Valuer Generals Statutory Land Value (SLV), calculated to \$ per meter of the adjoining land, is a fair estimate of the value of our land leased from Waterways.

The reasons are that unlike the freehold land to which the SLV applies

- we do not own the leased land and there are strict controls over the use we can put the leased land to.
- we cannot share, rent, lend or sub-lease the land and no services are supplied to the land by Waterways.
- the lease is on a year to year basis and maybe cancelled by Waterways. There is no automatic transfer of the lease in the event of our death or our selling our adjoining land.

We understand that Waterways and the Department wish to use the SLV because it is determined each year and for other reasons as stated in the first paragraph of page 4 of the "Review" discussion paper.

However we believe using the SLV is inequitable due to the reasons above.

2. We do not believe that it is equitable to imply that the leased land has a value to the lessee which returns the lessor 3% PA.

All of the above reasons apply but of particular note:-

- we do not own the leased land and there are strict controls over the use we can put the leased land to.
- we cannot share, rent, loan or sub-lease the land and no services are supplied to the land by Waterways.

And --

THERE IS NO SECURITY OF TENURE

3. In devising the formula no account seems to have been considered which addresses the high capital cost and maintenance of the facilities that we have built on the leased land.

- We increased the lease from Waterways in 1988 by the addition of a pontoon etc.. If the rental had been as high as now proposed we probably would not have installed this facility.

4. The proposed formula leads to a massive increase in our rental.

- We are self funded retirees who have leased the land from Waterways for 25 years. If the proposed formula is adopted our rent would increase by 1053 %. immediately.
- We believe the new calculated rental amount to be ridiculous for the above reasons and that the leased land is of no possible benefit to anyone else but ourselves, the owners of the adjoining land.
 - We will find the calculated increase a major drain on our resources. Because of the current lease terms, we will be unable to sub-rent or sub- share the facilities with others who could assist in offsetting the greatly increased rent.
 - If we cannot pay the rent and or maintain the facilities will Waterways be liable for their removal ?

Yours sincerely

Jerry and Sharon Lees