

3rd December 2003

Dear Sir/Madam,

I am the holder of a Permissive Occupancy on Pittwater and I wish to object to the proposed formula for calculating the rent on such areas.

Using the SLV in the formula is flawed because the valuation of the adjoining property has no relationship to the area being rented for the following reasons:-

- (a) there is no "market" value because it cannot be sub let or used in any commercial way.
- (b) the right to occupy can be revoked at any time.
- (c) no improvements can be made to increase the "value".
- (d) the PO or lease cannot be sold with the adjoining property.
- (e) public access is always available (it is not private property).
- (f) because there is no guarantee of tenure, there is no real opportunity of amortizing costs of any structure.
- (g) termination of PO or lease could require demolition of any structure at holders cost.
- (h) aboriginal land rights have not been extinguished.
- (i) not all PO or leased areas are usable at low tide (-so real values to the holder varies from area to area).
- (j) waterfront properties would only generate a rental return of about 1% not 3% as used in the formular. Using residential rental returns as a benchmark makes no sense because you can't live on the PO.
- (k) the Valuer General's valuation for adjoining properties can vary widely which will create huge differences for identical occupancies on neighbiuring properties.

This formular will not work fairly and should be rejected outright as a lazy illconceived revenue raising exercise.

Yours faithfully

Chris Boffa