# NSW DEPARTMENT OF LANDS
# ANNUAL REPORT 2008 | 2009

Department of Lands

**The Hon Tony Kelly MLC**
Minister for Lands
Leader of the House in the Legislative Council
**Level 34**
**Governor Macquarie Tower**
**1 Farrer Place**
**SYDNEY NSW 2000**

30 October 2009

Dear Minister

I am pleased to submit the NSW Department of Lands annual report for the year ending 30 June 2009 for your information and presentation to Parliament.

This report has been prepared in accordance with the *Annual Reports (Departments) Act 1985*, the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance & Audit Act 1983*.

This publication includes reports from all administrative areas of Lands, the Office of the Valuer General, the Office of Rural Affairs, the Office of Biofuels and the Geographical Names Board.

I commend this report to you.

Yours sincerely,

**Warwick Watkins**
**Director General**
**Surveyor General**
**Registrar General**
**Soil Conservation Commissioner**

## ABOUT THIS REPORT

The Department of Lands (Lands) annual report is a summary of our corporate performance during the 2008/09 financial year. Lands uses the balanced scorecard reporting framework to report on results.

We also report on outcomes under the State Plan: A new direction for New South Wales; in particular, those priorities in which Lands makes a direct and significant contribution (see page 14).

Performance highlights are reported in the front section of this report, on page 4. Operational reports which provide detailed performance outcomes against specific objectives are also included for all operational divisions and those groups for which Lands provides administrative support: Office of the Valuer General, Office of Rural Affairs, Geographical Names Board and the Office of Biofuels.

The report also includes our financial results for the year, environmental performance and our corporate governance oversight of internal controls, due diligence, accountability and strategic improvement.

The appendixes to this report outlines responses to statutory requirements. Although BOSSI was included in last year's Lands report, for 2008/09 BOSSI will be reported separately.

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Front cover: Namoi River, Walgett. North West NSW. Photo Nick Rains, Tourism NSW.

## ABOUT US

We manage **35.8 million** hectares of Crown land including **18 state parks**, **5** major **walking tracks**: **Hume and Hovell Walking Track** - a **440km** walk between Yass and Albury, **Great North Walk** - **250km** walk between Sydney and Newcastle, **Six Foot Track** - **45km** walk between Katoomba and Jenolan Caves, **the Wiradjuri track** - **30km** walk around Wagga Wagga and **Abraham Bosoms Walking Track** - **11km** track near Currarong, plus **2 canoe trails,** the **Macquarie River Trail 150km** from Wellington to Narromine and the **Murrimbidgee River Trail 230km** from Burrinjuck to Wagga Wagga.

We manage over **33,000** Crown reserves some in partnership with local councils and over **700** are managed by volunteers through community trusts.

If you haven't camped in years you'll be surprised at the options now on offer at Crown land caravan parks from the humble tent site to en-suite cabins. With over **260 caravan and camping sites** to choose from all easily found at **www.caravanandcampingnsw.com.au**.

We are working with communities to help protect our world class beaches through our **National Surfing Reserves** initiative. So far there are **6** national surfing reserves protecting approximately **30km** of NSW beaches.

A total of **4.06 million** requests for LPI land information records were satisfied, **3.9 million** of these online via **www.six.nsw.gov.au**. **36,896 new titles** were created in Titling and Registry Services. Over **10,000** plans were lodged electronically in ePlan representing **40%** of total plan lodgments.

Around **140,537 sq miles** of aerial photography was captured as part of the **State Imagery Program**.

There were **2,441** road names determined by the **Geographical Names Board**.

Approximately **14,860 hectares** of NSW was upgraded by Soil Conservation Service.

The **$85 million Building the Country Package** – Country Halls Renewal Fund processed **43** successful applications; the Community Broadband Development Program processed **11** successful applications and the Small Communities Awareness Fund processed **18** successful applications with details available in the Office of Rural Affairs report on page **49**.

…and we did all this, plus a lot more, with **1,618 staff** across **50 regional offices.**

## ABOUT OUR CROWN RESERVES

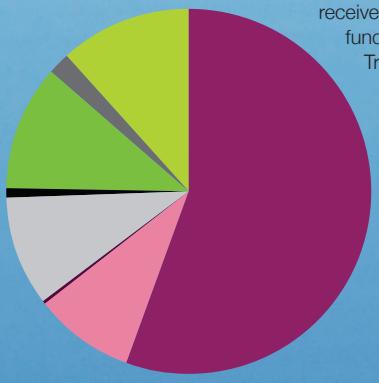
We administer the Public Reserves Management Fund (PRMF) which facilitates NSW Government funding for the development, maintenance and protection of Crown land reserves throughout NSW. The PRMF is self funded and derives its income from the collection of levies and the repayment of loans advanced to trust managers.

A Crown reserve is Crown land that has been reserved for public use and reserves may be notified or dedicated for many purposes, including public recreation, showgrounds, public halls and caravan parks. Crown land is land owned by the NSW Government and managed under the *Crown Lands Act 1989*.

There are about 33,000 Crown reserves and around 700 of these reserves are managed by community trust boards, councils or other incorporated bodies such as scouts.

Funds provided to these reserves in 2008/09, included $625,000 for the control of weeds, pests and feral animals.

In addition, eight state parks, which are Crown reserves, received recurrent and capital (plant and equipment) funding totalling $1,491,000 from the NSW Treasury towards the day-to-day operations of the parks. This is a snapshot and further details are available in appendix 17 (page 123).



**TOTAL OF GRANTS AND LOANS FUNDING**

| | |
|---|---|
| $4,590,000 | Caravan parks |
| $729,935 | Showgrounds |
| $33,270 | Drought |
| $808,100 | High visitation reserves |
| $73,480 | Consultancy |
| $905,715 | Local parks and reserves |
| $170,154 | Walking tracks |
| $941,159 | Crown reserves projects |
| **TOTAL:** | **$8,251,813** |

**FIGURE 1** | Total of grants and loans funding

Shoalhaven Heads, NSW South Coast.

## OUR MISSION

As custodian for land and property information and services, spatial information and the Crown lands of New South Wales, Lands serves current and future generations through innovative management, sustainable land allocation, and by working in partnership with other arms of government, our business clients and the community.

## OUR VISION

To provide quality, timely and reliable geospatial information and land management products and services based on client needs.

## OUR VALUES

### CUSTOMER SERVICE
We are committed to identifying customer needs and providing excellent products and services to clients in all locations.

### ACCOUNTABILITY
We provide our services in accordance with government and community expectations and manage government finances with strict probity to achieve value for money.

### INNOVATION
We seek to develop innovative strategies and solutions to provide excellent customer services and meet government needs.

### RESPECT
We treat all people with dignity, respect and fairness, acknowledging the value systems which exist within our multicultural society.

### INTEGRITY
We behave with integrity and in the public interest when using departmental resources, managing business and personal information and conducting business transactions.

### TEAMWORK
We encourage a team approach to work, learning and problem solving.

### LEADERSHIP
We are committed to providing leadership to the community and the public sector in areas of geospatial information and land management, and at all levels across the organisation.

### FOCUS
Our success is measured through the balanced scoreboard; an approach that addresses customer and community needs, sound financial management, continuous performance improvement, and building a knowledge organisation.

# 2008|09 HIGHLIGHTS

page

27 Agreement with all states on developing a **National Electronic Conveyancing System** and a timetable for delivery. An economic appraisal identified efficiency savings of $50m in NSW for industry, landholders and government through implementation of national econveyancing.

27 **All online services for ePlan customers now delivered through an ePlan portal** within the Spatial Information eXchange (SIX). The portal offers an online requisition facility and an ecommerce gateway to pay and track bills online.

28 Under the **Common Spatial Information Initiative, CS2i**, Lands is leading a cross-agency project to develop a NSW Government spatial inventory, identifying key spatial information holdings, work programs and initiatives. Strategic projects include the development of a NSW Spatial Imagery Strategy and the NSW Addressing Reform Project.

28 Developing a **spatial view of planning data** including local, regional and state environmental planning instruments in partnership with the Department of Planning.

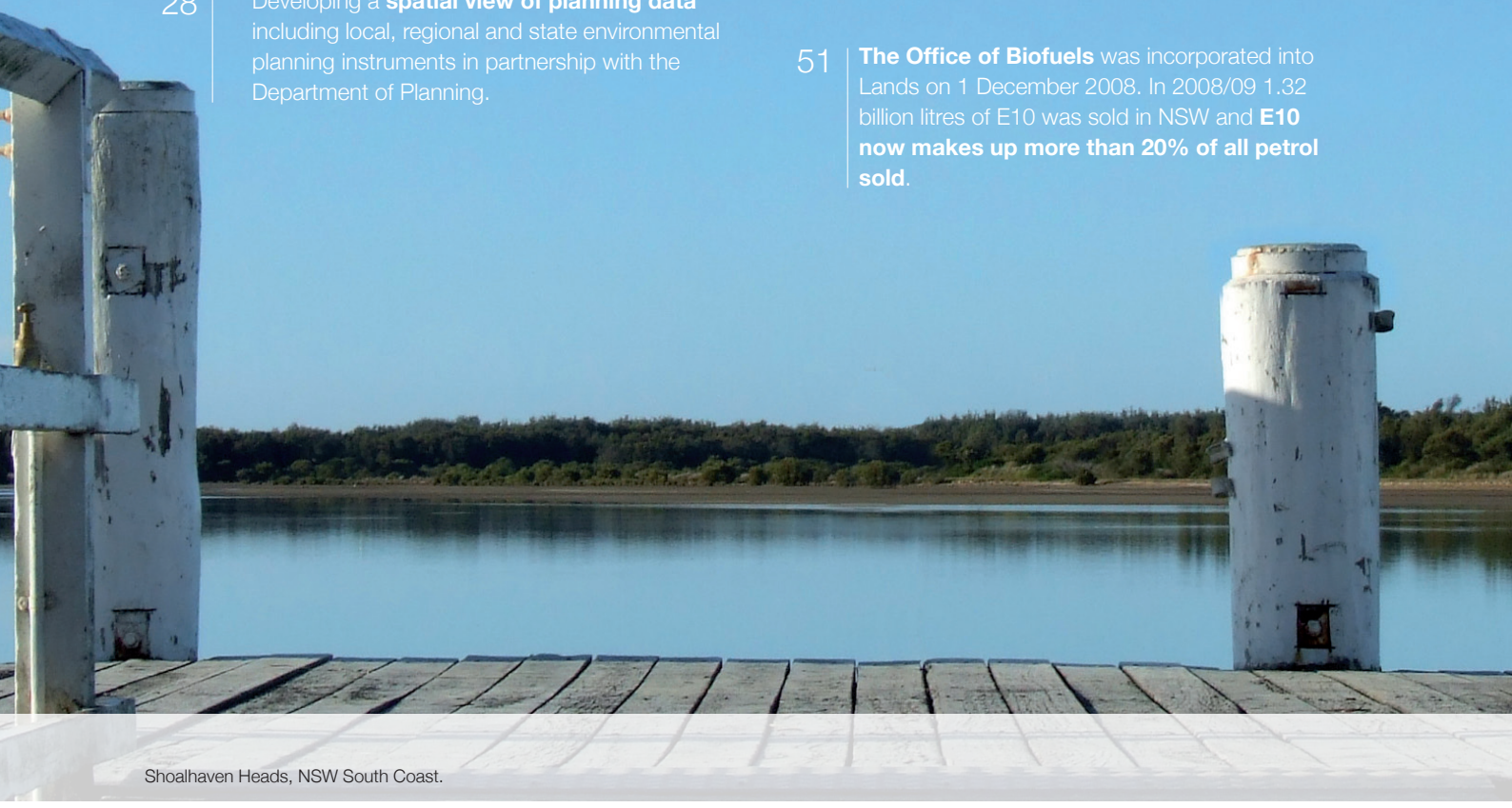
34 Legislation on parallel leasing of Crown land to enable the **Silverton Wind Farm**, an infrastructure project of state importance which will create an estimated **800 jobs** during construction and make a significant contribution to NSW's sustainable energy needs.

36 **$625,000 was allocated for weed and pest control programs**, as part of a 'good neighbour' approach to land management.

40 A Cabinet-approved business plan for the **Soil Conservation Service** placed the division on a **sound path to future success and financial sustainability**.

49 Lands is reviewing applications under the government's $85m Building The Country Package, designed to deliver **community infrastructure and support for business and tourism**. To date, over 70 grants have been allocated for refurbishing country halls, delivering high speed broadband and building websites to promote country towns.

51 **The Office of Biofuels** was incorporated into Lands on 1 December 2008. In 2008/09 1.32 billion litres of E10 was sold in NSW and **E10 now makes up more than 20% of all petrol sold**.



Shoalhaven Heads, NSW South Coast.

# FINANCIAL SNAPSHOT

This overview provides a snapshot of high level financial results for 2008/09, including details on revenue sources and major expenditure categories.

Lands generates a large proportion of total revenue from its business operations, with less than one quarter provided through the State Government budget. The 2008/09 financial year saw an overall increase in revenues and expenses from the previous year. Graph 1 shows the break up of major revenue sources.

Total funding from the State budget and other revenue was $297m and total expenses were $272m, meaning that Lands ended the year with an overall surplus of $25m. Lands will return taxes and dividends to Government of $16.3m as a result, representing a better than budgeted outcome for the Department.

This improved result was a combination of higher revenues and lower expenditures. Increased revenues came mainly from additional valuation services provided to the Office of State Revenue and higher levels of revenue coming into the Public Reserves Management Fund. Delays in the commencement of trainees into the Department resulted in lower expenditure on salaries and a focus on cost control assisted in reducing the overall level of expenses.

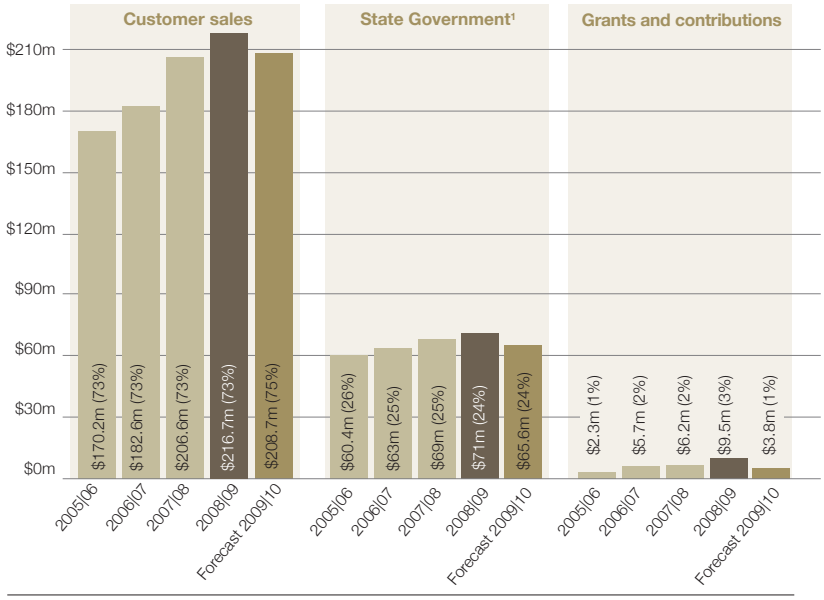
As anticipated, revenue streams linked with the property market did come under pressure during 2008/09. However, this was well responded to, and a close watch upon revenues and expenditure meant that the effect was kept to a minimum.

Graph 2 shows the break up of expenses between employee costs, other operating and grants. The trend for total operating results can be seen in graph 3. Further financial details can be seen in the Lands financial report starting on page 53.

The treatment of superannuation was changed through a policy decision of NSW Treasury during the year. As a result, actuarial adjustments are no longer shown in the operating statement, but are shown in the statement of recognised income and expense. This makes it easier for the general user to understand the financial results of Lands and LPI, as changes to future superannuation investment expectations no longer affect the operating result for the year. To enable comparison of information between years, superannuation figures have been excluded from the graphs for all years.

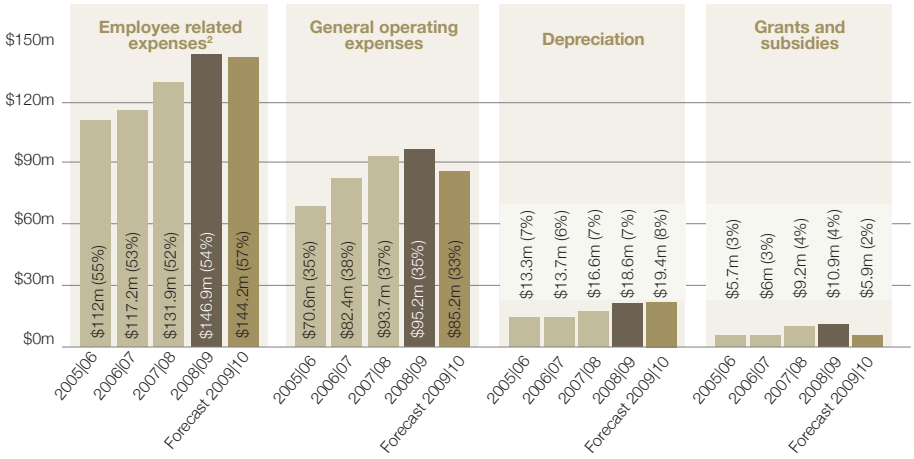
In addition to the revenue disclosed, Lands generated revenue of $81m from Crown land activities. These activities are administered on behalf of the Crown Entity and reported within the Crown Leaseholds Entity (CLE) and the Land Development Working Account (LDWA) financial reports, published by NSW Treasury. Revenues generated in these entities are not retained by Lands, but treated separately, as part of the Crown Entity.

## Graph 1 Revenue by source



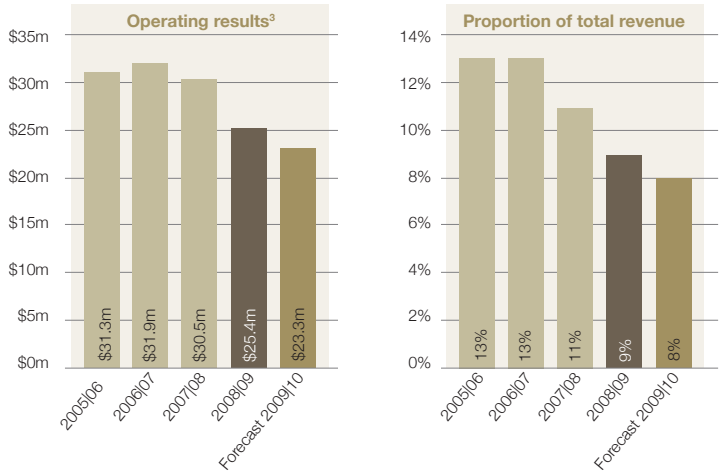

FOOTNOTES:
1. State Government funding is provided to meet the costs of Crown land administration and policy development, community service grants to LPI and funding to meet operating costs of the Office of Rural Affairs and Office of Biofuels.

## Graph 2 Major expenditure categories




FOOTNOTES:
2. During 2008/09 NSW Treasury had a change in accounting policy that all NSW government agencies were required to adopt in relation to superannuation. As a result, superannuation actuarial losses and gains have been removed from the operating statement under employee related expenses. For comparative purposes all defined benefit superannuation figures have been excluded from these calculations and the prior year figures have been updated from previous annual reports.

## Graph 3 Operating results




FOOTNOTES:
3. Excluding superannuation expenses for defined benefit plans.

**In 2008/09 Lands continued to progress business objectives across all divisions, delivering on our service commitment to government, customers and the community. This report outlines Lands' achievements as measured by our corporate goals and the priorities of the NSW State Plan, including:**

- encouraging people to enjoy our wonderful Crown land reserves, holiday parks and walking tracks through ongoing maintenance and enhancements
- promoting community volunteering through a reserve trust board membership campaign and sponsoring community awards
- supporting healthy living with the many recreational and sporting facilities on Crown land
- continuing to raise the quality of customer service
- better outcomes for native vegetation, biodiversity, land, rivers and coastal waterways.

This year Lands continued to invest in improving land information systems, increasing investment and recreational opportunities on Crown land and developing and enhancing electronic service delivery capabilities.

Highlights of the year included:

- developing a spatial view of planning data including local, regional and state environmental planning instruments
- agreement with all states on developing a National Electronic Conveyancing System and a timetable for delivery
- all online services for ePlan customers now delivered through an ePlan portal within the Spatial Information eXchange (SIX)
- legislation on parallel leasing of Crown land to enable the Silverton Wind Farm, an infrastructure project of state importance
- start of a major business reform project to re-engineer Crown Lands division as a lean property management organisation
- the Office of Biofuels was incorporated into Lands on 1 December 2008. In 2008/09 1.32 billion litres of E10 was sold in NSW and E10 now makes up more than 20% of all petrol sold.
- Lands has approved over 70 applications under the NSW Government's $85m Building The Country Package for refurbishing country halls, delivering high speed broadband and building websites to promote country towns
- a Cabinet-approved business plan for the Soil Conservation Service placed the division on a sound path to future success.

## Digital delivery of property information services

Lands continues to invest in improving land information systems and building on its electronic service delivery capability.

Fairy Bower Falls, NSW South Coast.

We have been working with industry groups and other jurisdictions to develop and move towards implementation of a National Electronic Conveyancing System (NECS). A single national electronic conveyancing system will allow consumers across Australia to benefit from one system to settle property transactions.

Under agreements ratified through the Council of Australian Governments, a timetable for the introduction of the NECS by the end of 2011 is in place.

Lands is working towards the requirements of a national conveyancing system and undertaking the NECS Readiness Program to prepare and implement business practices, operational systems, legislation and stakeholder communication.

The Common Spatial Information Initiative (CS2i) is the result of collaboration across NSW state government agencies and private industry to provide common ebusiness functions that will enable customers to access spatial and related information online.

The NSW Spatial Council coordinates policy and strategic direction through the CS2i framework and has endorsed the development of a NSW government spatial inventory, formation of spatial information working groups to support development of key programs and policy objectives and adoption of eight NSW spatial strategic initiatives as projects to monitor and steward.

Strategic projects, including the development of a NSW spatial imagery strategy and the NSW Addressing Reform Project, are also being undertaken within the CS2i.

The long-term Vision 2013 strategy is the workforce planning process that provides Land and Property Information division with the framework to meet current and future business and staffing needs.

Since 2003/04, around 120 graduate and trainee positions have been filled across the division and in corporate service areas, with 33 graduates and trainees recruited this year.

Lands intends to continue the graduate and trainee program over the coming years to guarantee the capacity to replace experienced staff as they retire.

## Sustainable management of Crown land

Lands has embarked on a major business reform project to re-engineer the Crown Lands portfolio as a lean property management organisation that is able to deliver on government priorities and deploy resources to optimise management of these important assets.

This is supported by specific projects to improve information management and business outcomes in areas ranging from creating legal title over and valuing Crown reserves to the implementation of a new pricing model for domestic waterfront licences.

Lands works in partnership with local government and the private sector to revitalise important regional centres. These projects seek to upgrade infrastructure for recreation and tourism, while also preserving essential maritime uses and providing a greater variety of services for the general public.

These partnerships also provide opportunities for economic growth to achieve stronger regional economies as directed in the State Plan.

Despite challenging economic times, solid progress is being achieved in projects such as partnering with council to redevelop the Gosford CBD, a foreshore master plan for Port Stephens jointly-developed with council, a MoU with Wagga Wagga City Council to develop Crown land along the Murrumbidgee River and the development of a world class marina and recreational boating facilities at Boyds Bay, Tweed Heads.

Lands established a precedent for Australian property law by putting in place the concept of a 'parallel lease' over Crown land to enable development of what will be Australia's largest wind farm at Silverton in the Western Division.

The NSW Government has approved the first stage of the project which is expected to create more than 800 construction and operational jobs in the region.

The first stage will deliver 282 wind turbines and the second stage will add a further 316 turbines and 305 kilometre of powerlines, subject to further environmental assessment and approval.

Equally as important is the division's role in protecting the environment and our heritage. This year, Lands gazetted new state parks at Cronulla and Broken Hill (the Living Desert Reserve), developed an assessment protocol for environmental management of travelling stock reserves and established three new surfing reserves.

## Caring for the earth

The NSW Cabinet approved a new business plan for the Soil Conservation Service which will ensure a sound and secure future for this well-respected bush icon.

It was a significant achievement for the division and one which followed a long period of negotiation with Treasury over future operations.

Approval of the plan provides a clear mandate for the SCS to now progress a number of business plan objectives to improve the division's financial performance.

With completion of the NSW Soils Framework 'Looking Forward Acting Now' report, signed-off by the NSW Natural Resources Cluster Group, the NSW State Plan was amended to acknowledge the report and set a timeframe for the development of a NSW Soils Strategy.

SCS enjoyed another solid year of business performance, particularly in the Consult operation which secured preferred supplier service agreements with government agency clients including RTA, Transgrid and DDM (Defence), as well as a number of catchment management authorities.

## Supporting regional communities

Lands provides administrative support for the Regional Communities Consultative Council (RCCC) by bringing government and communities together to develop sustainable economic, social and environmental outcomes in country NSW.

Under the $85m Building The Country Package, Lands reviews applications for funding of projects designed to deliver community infrastructure and support for business and tourism. To date, over 70 grants have been allocated for refurbishing country halls, delivering high speed broadband and building websites to promote country towns.

In another initiative, decommissioned Lands computers are distributed to community technology centres, historical societies, small country museums, environmental groups and neighbourhood centres in regional NSW.

## Developing alternative fuels

The Office of Biofuels was incorporated into Lands in December 2008 to continue its work in implementing the NSW Government biofuels mandate.

Within 15 months of introduction of the mandate, one billion litres of ethanol-blend petrol had been sold in NSW.

During the year under review, the NSW Government announced the mandate would triple from two to six per cent by January 2011.

Government has also mandated a 10 per cent ethanol blend in all regular grade unleaded petrol by 1 July 2011 and the introduction a biodiesel mandate.

Lands is developing a 10-year biofuels strategy to encourage the development of second-generation technologies and feedstocks, which will enable the sustainable production of much greater volumes of biofuels.

## Financial performance

Lands had a positive budget result for 2008/09, with a net surplus for the year of $25m. This result was better than anticipated, as we were originally budgeting for a surplus of $15m. Lands will return $16.3m back to Government in the form of taxes and dividends.

Revenues and State budget funding totalled $297m, of which $272m was spent on delivering our services. This improved result is a combination of higher revenues and lower expenditures.

Lands has continued to deliver positive financial returns to the NSW Consolidated Fund in the face of pressures from the economic downturn. LPI in particular felt the affect of downturns in revenue from a slowdown in plan registrations and title information requests. This was partially offset by a government mini budget initiative of a doubling of title transfer fees, as well as tight controls over expenditures within LPI in response to the downturn in activity.

In addition Lands delivered increased returns required from the mini budget in November 2008 for road closures and perpetual lease conversions. Whilst these Government targets were met by Lands, these increases are reflected in revenues within CLE and LDWA, rather than being reported in Lands.

For further information see Our Funding on page 12, Financial Snapshot on page 5 or our Financial Statements on page 53.

## Moving forward

Lands is maintaining its commitment to online delivery of property services and will reach further milestones in the next few years. As ever, customer needs and requirements will be our primary focus in designing our products, services and delivery channels.

In managing the Crown lands portfolio the development of function-based transaction centres will result in substantial improvement in customer service and operational efficiency. This will allow greater focus on our role as a property manager developing Crown land infrastructure for the benefit of regional economies and communities.

Lands, through the NSW Soils Working Group, will continue to work with the state's natural resource agencies to progress the NSW Soils Strategy through to public exhibition and adoption.

Under the business plan I anticipate sound growth for the Consult business of SCS in regional NSW.

**Warwick Watkins**
**Director General**
Surveyor General
Registrar General
Soil Conservation Commissioner

# SURVEYOR GENERAL'S REPORT

Strengthening of the state survey control network continued this year with LPI rolling out a state-wide network of Global Navigation Satellite Systems (GNSS) and Continuously Operating Reference Stations (CORS) to provide NSW with world's best practice survey infrastructure.

The new CORS network, known as NSWNet, extends the GNSS data services already provided by LPI through SydNet and MetroNet, which currently operate 11 CORS. It will be supported by the existing physical survey control network, which consists of trigonometrical stations and permanent survey marks.

Over the next four years, 55 additional CORS will be established across NSW, greatly increasing the accuracy of the state's survey control network.

In my role as Surveyor General I hold the statutory positions of President of BOSSI and Chair of the Geographical Names Board (GNB).

BOSSI was active in its role of promoting professional development and standards. It is exploring additional pathways to registration involving assistance from the Institution of Surveyors NSW (ISNSW), the Association of Consulting Surveyors (ACS) and Australian Institute of Mine Surveyors (AIMS). These agencies have instituted training programs to assist candidate surveyors achieve registration.

The GNB continued to maintain the integrity of the state's geographical naming process and provide a valuable service to Australia Post, map publishers and the community.

Detailed reports from the GNB are contained in this publication.

**Warwick Watkins**
Director General
**Surveyor General**
Registrar General
Soil Conservation Commissioner

# REGISTRAR GENERAL'S REPORT

As the Registrar General my role is to safeguard and maintain the integrity of the register of land ownership in NSW.

The activities of this office are integral to the process and confidence in the property market.

The economic situation continued to affect the volume of transactions at LPI but this did not slow progress in broadening online service delivery or improvements in customer service.

A new security certificate of title was launched on 1 June 2009, featuring new and replacement security features to support the identification of an authentic certificates.

As detailed elsewhere in this report, Lands is making tremendous progress towards national econveyancing and electronic delivery of our state-based property services.

Over the next year we will continue to invest in key development programs including the National Electronic Conveyancing System (NECS), digitisation of titling records, the electronic lodgment of plans, integrating Crown land into the electronic titling system and the conservation and digitisation of historical plans and aerial photography.

**Warwick Watkins**
Director General
Surveyor General
**Registrar General**
Soil Conservation Commissioner

# SOIL CONSERVATION COMMISSIONER'S REPORT

Lands has the lead environmental agency role in developing a NSW Soils Strategy and action plan to address the soil targets established under the NSW State Plan.

This followed the earlier completion of the NSW Soils Framework 'Looking Forward Acting Now' report.

We are working with the NSW Soils Working Group to progress the soils strategy through to public exhibition and adoption in the next year.

On the business front, the Soil Conservation Service business plan provides the framework to ensure the viability of the division into the future with strategies to grow the consulting business and recruit skilled staff.

**Warwick Watkins**
Director General
Surveyor General
Registrar General
**Soil Conservation Commissioner**

Fitzroy Falls, NSW South Coast.

## WHO WE ARE

Lands embodies a long history of integrity in land information systems, knowledge and experience in soil conservation and responsible land management.

The current formation of Lands was created in 2003, incorporating several business divisions.

- **LAND AND PROPERTY INFORMATION**
  The definitive source of spatial information for NSW, including property definition, ownership and valuation data, underpinning a vibrant property market and government initiatives for improved commercial and environmental outcomes.
- **CROWN LANDS**
  Responsible for the sustainable management of 35.8 million hectares of public land, including 18 state parks, public reserves, walking trails and holiday parks to allocated land for varied community and business purposes, such as schools, hospitals and ports. The division is dedicated to optimising environmental, economic and social outcomes for the benefit of the people of NSW.
- **SOIL CONSERVATION SERVICE**
  An environmental consultancy business specialising in environmental protection, rehabilitation and land management, offering a complete range of professional and technical services in land rehabilitation, specialist earthworks, erosion and sediment control, project management, soil and water testing, revegetation techniques and the sustainable management of farm water supplies.
- **OFFICE OF RURAL AFFAIRS**
  Working with rural communities to harness economic, social and environmental opportunities for country NSW, ensuring they have a powerful voice and are in control of their own development. See page 48 for detailed report on the ORA.
- **OFFICE OF BIOFUELS**
  Managing the NSW Government's biofuels program and associated development strategy. The office was transferred to Lands on 1 December 2008. To read more on the OBF see page 51.
- **INTERNAL BUSINESS SUPPORT SERVICES**
  These include the Office of the Director General, Finance and Corporate Support, Corporate People and Performance Group, Legal Services, Corporate Governance, Information Communication and Technology, Emergency Information Coordination Unit, Communication Solutions Group and Native Title, Aboriginal Land Claims and Status Branch.

Lands also provides administrative support to the Board of Surveying and Spatial Information, the Office of the Valuer General (see page 22) the Geographical Names Board (see page 44), the Festival Development Corporation and various community trusts.

## WHAT WE DO

Lands is the key public land management agency in NSW, with our land information systems underpinning the state economy and contributing to the development of sustainable rural communities.

### LAND AND PROPERTY INFORMATION

Since documenting the first state land records, Lands has continued as the custodian of land information in NSW. Today, with new technologies and greater expertise in the field, Lands is a world leader in land and spatial information management with a commitment to innovative products and services.

LPI is the only business in NSW that can research a complete history of any parcel of land in the state.

LPI is the leading provider of land and property information in NSW.

Its major responsibilities include:

- land title registration services, including registration of plans of survey and property transactions, issuing of certificates of title and conversion of old system land to Torrens title
- maintaining the state's survey infrastructure
- valuing land throughout the state every year to make the land valuations used in calculating local council rates and NSW Government land tax payments
- registering new plans of subdivision and property transactions in the Integrated Titling System
- carrying out an aerial photography and imagery capture program to produce a large range of maps and spatial information in digital form
- supplying property information online and over the counter to customers
- developing spatial data systems, data models and specialist services to meet a diverse range of stakeholder needs including emergency services, counter terrorism, natural resources and other sectors.

### LPI key products

**SIX** - The Spatial Information eXchange (SIX) is the official source of NSW's geospatial information, possessing the most comprehensive, accurate and reliable spatial data for the state. SIX can be accessed at www.six.nsw.gov.au.

**ePlan** - An electronic system for the lodgment of land title plans. The ePlan Program is delivering significant benefits to the property industry by enhancing the quality of plan data, reduce requisitions and improve plan processing and turnaround times.

- Between 700,000 and 800,000 land title transactions are registered each year.
- Over 4 million online requests for land information records are handled via our network of information brokers.
- 2.4 million properties are valued each year.
- Lands spatial information services were utilised for APEC 2007, World Youth Day 2008 and to help manage the transport and safety of the 1.5 million people at the 2008 New Year's Eve fireworks.

### CROWN LANDS

Crown Lands division is responsible for the sustainable management of NSW's 35.8 million hectares of Crown land (approximately half the state).

Crown land extends three nautical miles out to sea and includes rivers and estuaries, marinas, jetties and artificial reefs.

Crown land is allocated for public uses, including schools, hospitals, community halls, showgrounds, conservation areas, housing and numerous reserves and access to rivers, estuaries, and harbour foreshores.

A significant portion of Crown land is also available for alternative purposes, from leasing for commercial or agricultural use, through to land development that meets the needs of expanding regional and rural communities.

### Crown Lands key products

**Development** – Crown Lands is a key player in maritime, industrial, residential and tourism development, making land available or powering infrastructure projects that help local communities grow and prosper.

Land for homes, rural production, commerce and industry is developed and made available where needs are identified and our contribution can add to the common good.

Crown Lands is also involved in maintaining and improving NSW's minor ports. This aims to provide commercial fishing and recreational boaters with well-maintained ports as well as safe, secure maritime access.

**Reserve trusts** - Reserve trusts are established externally to the Department to manage and care for Crown land on behalf of the people of NSW. These include local sporting grounds, community halls, showgrounds, beaches and cemeteries, such as Rookwood.

A reserve trust may be a corporate manager, such as a community organisation or local council, a board comprising community volunteers or an administrator.

**Native title and land claims** – The division researches Aboriginal land claims and provides advice to the Minister to determine claims under the *Aboriginal Land Rights Act 1983*. Applications for native title in NSW are also investigated under the *Commonwealth Native Title Act 1993*.

**Recreational** – Crown land is used for a range of recreational activities including one third of the state's caravan parks and camping grounds, 18 state parks, walking tracks and thousands of sporting grounds, parks and beaches.

Crown land holiday parks can be found on the website www.caravanandcampingnsw.com.au.

From Copeton Waters in the northwest to Wallaga Lake on the far south coast, state parks offer a range of camping, accommodation and recreational activities at www.stateparks.nsw.gov.au. New state parks are under development, including the beaches and dunes at Sydney's Cronulla.

- Crown land generates $147m in revenue through leases, licences, management and sales.
- Almost 1 million hectares of perpetual leasehold land has been approved for conversion to freehold at reduced cost to purchasers.
- In 2008/09, $10.6m was budgeted for improvements to local parks, reserves, walking tracks, caravan parks and showgrounds through the Public Reserves Management Fund.
- Holidays and recreation on Crown land is provided at over 260 holiday parks, 18 state parks, 776kms of walking tracks, two canoe trails and thousands of local parks, showgrounds and sports fields.
- More than 700 Crown reserves are managed by community volunteers through reserve trusts.

### SOIL CONSERVATION SERVICE

Soil Conservation Service division (SCS) is a soil conservation and environmental consulting business specialising in environmental protection, rehabilitation and land management services to both rural and urban clients.

SCS offers competitive, cost-effective services and consultancy to land users for the assessment, development, implementation and promotion of best practice land and water use systems.

The business has three areas of business activity; Conservation Earthworks (Works), Soil Consulting (Consult) and Operations.

#### SCS key products

**Conservation Earthworks** – Through its plant hire scheme, SCS offers a cost competitive earthmoving service to design and implement soil and water conservation earthworks, setting the industry standard for quality. Services include banking and waterway systems, revegetation and mine rehabilitation.

**Soil Consulting** – SCS's consultation branch offers fully commercial services in a broad range of areas associated with environmental protection, rehabilitation and education. Clients are offered a complete package from planning, design and layout through to final implementation. The service is supported by the National Association of Testing Authorities (NATA)-registered soil and water testing laboratory at Scone.

**Operations** – SCS maintains several NSW Government assets including the flood mitigation works in the Hunter Valley and the Great North Walk, in association with other government agencies and 14 local councils.

- In business for nearly 70 years, SCS operates from 30 centres around the state.
- In conjunction with the NSW Soil Policy Working Group, developed the NSW Soils Framework under the NSW State Plan to set new directions in soil management.
- SCS frequently supports the RFS in bushfire emergencies, with the provision of staff and plant as required, and has a year-round role in fire trail maintenance and bushfire hazard reduction.

## OUR CUSTOMERS

Lands' key stakeholders include the property conveyancing industry, land use planning and development sector, farming and grazing property owners, government agencies at state, local and federal levels, and regional community bodies.

### LAND AND PROPERTY INFORMATION

LPI products and services are available to the people of NSW as a whole. Regular customers come from three market segments; the property conveyancing industry, the land use planning and development sector and government agencies at state, local and federal levels.

### CROWN LANDS

Crown Lands division actively promotes partnerships with local government authorities, reflecting the adoption of proactive management of the Crown estate. Crown Lands is also developing professional business relationships to assist both parties in achieving corporate goals, and recognises community support obligations to non-profit organisations, charity groups, pensioners and rural community members who occupy Crown lands.

### SOIL CONSERVATION SERVICE

SCS clients include NSW landholders (primarily farmers and graziers), state and local government agencies, conservation groups and commercial companies.

## OUR COMMUNITY

Lands is dedicated to supporting business, tourism and community groups. The Department has strong ties with rural and regional NSW and is committed to acting at a local level to stimulate, strengthen and sustain country communities.

Throughout 2008/09 Lands sponsored several community awards including the Regional Achievement and Community Awards, the Caravan and Camping Industry Association NSW Awards of Excellence and the Real Estate Institute of NSW Excellence in Delivery of Electronic Property Data to the Public Award.

Lands also contributed to communities by sponsoring events such as the Sculpture by the Sea Exhibition, the 'Don't DIS My ABILITY' campaign to celebrate the International Day of People with a Disability, the Local Government and Shires Association 2009 Tourism Conference and the 2009 Marina Industries Association of Australia Marinas Value Study.

As part of our commitment to take services and local operations to regional audiences, Lands also attended three field days at Mudgee, Orange and Gunnedah.

## OUR PEOPLE

Lands' incorporates a range of professions, such as surveyors, spatial technicians, land valuers, engineers and environmental officers.

With a highly skilled workforce of 1,618 we provide land administration and management services from across a network of regional offices.

For more information about Lands staff numbers see appendix 11 (page 115).

Georges Plains, Central West NSW.

# OUR ENVIRONMENT

Lands is committed to minimising and reducing its environmental footprint.

We do this through energy savings, buying 'green' power, recycling, using sustainable environmental practices and maximise savings in our energy and water use by auditing our buildings for their environmental performance.

We also make sure that our employees are ecologically aware to further enhance our environmental practices.

### Water and energy efficiency

Lands audits its Queens Square and Bathurst buildings for their environmental performance using the Australian environment rating system known as NABERS.

This evaluation shows that the Queens Square building rated above average for energy use and best performance for water use. The Bathurst building didn't rate as well. Work to reduce energy use at Bathurst is being undertaken to improve its rating. A number of projects will result in Bathurst cutting its greenhouse gas emissions by 250 tonnes. Further works are anticipated for the Queens Square building to lift its environmental rating.

Lands conducts indoor health building audits at Queens Square and Bathurst in its management of the interior environment for employees. This will be enhanced by using NABERS to further improve the indoor environment in such matters as lighting, acoustic quality, thermal comfort and office layout.

NABERS will also be used at Lands' major offices in Newcastle, Parramatta and Dubbo to determine the environmental rating of the buildings.

### Recycling of waste

Lands recycling practices are being enhanced by focusing on goods that are a combination of various products mixed together along with the traditional single product goods such as paper, cardboard and printer cartridges. This will improve the quantity and number of goods that are recycled by Lands at Queens Square and Bathurst. The Queens Square building will be audited in 2009/10 using NABERS to evaluate the recycling of waste goods.

### Use of energy

Lands reduces its greenhouse gas footprint through the buying of green power in all electricity contracts. All Lands sites where power is purchased on the contestable market require that 6% of electricity must be from green or renewable sources. Lands use of green power increased by over 16% in the year.

Lands will consider hybrid vehicles to replace conventional passenger vehicles where suitable. Biofuels, such as E10, will be used in appropriate vehicles. The activities of Lands requires the use of four-wheel drive and other non-conventional vehicles. This impacts on Lands' ability to effectively minimise its 'green score' for vehicle operations.

# OUR GOVERNANCE

Lands was established by the *Public Sector Employment and Management (General) Order 2003*. Overall control of Lands is vested to the Minister for Lands, the Hon. Tony Kelly MLC, and Lands' Director General.

The Director General is assisted by Lands' executive team to oversee Lands' activities. The team holds a meeting every two months. Its role is to provide leadership, set strategic direction, facilitate policy development and to discuss and resolve other key governance matters. The team meeting also provides a forum for senior management to share information and report on business outcomes.

Lands is comprised of three operational divisions.

- Land and Property Information division.
- Crown Lands division.
- Soil Conservation Service division.

Each division is headed by a General Manager, who are Lands executive team members. A divisional executive team or board of management has been established to oversee the roles and responsibilities of each division. These meet on a fortnightly or monthly basis.

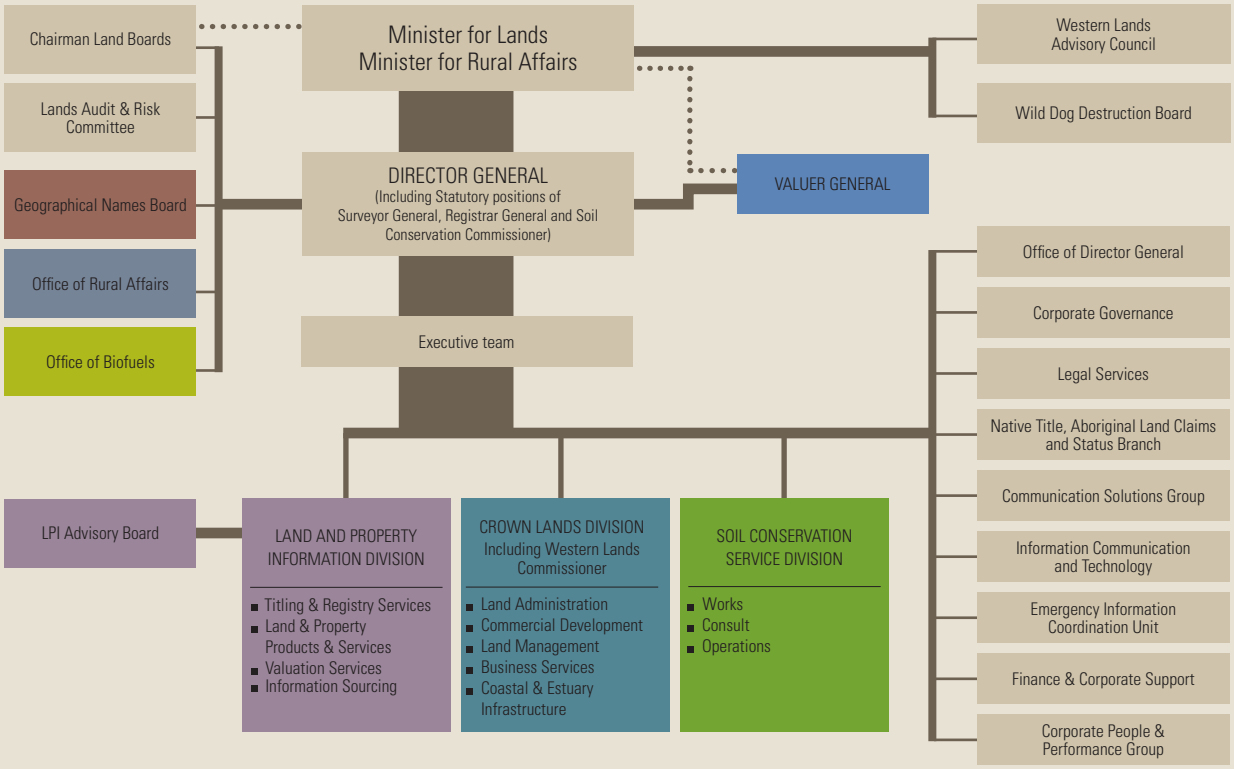



**FIGURE 2** | Organisational chart

## OUR FUNDING

Funding for the Department of Lands comes from a mix of government contributions and revenues generated from our commercial functions. Lands has three main business divisions and generates a large proportion of total revenue from its operations, with less than one quarter provided through the state government budget.

The commercial business divisions are Land and Property Information division and Soil Conservation Service division, collectively contributing $213m in revenues. The other business division of Crown Lands received government funding of approximately $55m, which along with the $13m they generated in revenue, provided total funding of $68m.

The Lands total budget for the 2008/09 year was $286m and specific funding for the three business divisions is outlined below.

The LPI division is a non-budget dependent commercial entity within Lands. LPI provides integrated land and property information services to the government and community of NSW. It maintains more than 3.5m registered land titles and 1.7m registered plans defining the boundaries of discrete property titles. These services are governed principally by the *Valuation of Land Act 1916*, *Real Property Act 1900*, *Conveyancing Act 1919* and *Surveying Act 2002*. LPI receives a small amount of funding from government ($13m), to undertake community service obligations. Apart from this, LPI generates revenues from its operations and returns a dividend payment to the government. In 2008/09 LPI's total revenues were $186m and spent $161m on its operations and will return tax and dividends contributions of $16.3m back to the NSW Treasury.

The Soil Conservation Service is also a non-budget dependent commercial division within Lands. This division funds its operations from revenues. During 2008/09 approval was given by the NSW Cabinet for SCS to implement a business plan that will include upgrading its fleet of heavy machinery plant, in order to run more efficiently. SCS has seen increasing revenues from its soil consultancy services. For the 2008/09 financial year, SCS generated $27m in revenue from its operations and almost broke even for the financial year which is a good result. SCS is getting closer to achieving the goals laid out in their business plan.

The Crown Lands division is predominantly funded through appropriations from government, in the sum of $55m. This represents the largest proportion of the budget allocation for Lands. It additionally generated revenues of approximately $13m. To fully comprehend Lands operations it is also important to recognise that Crown Lands provides services to two entities on behalf of the government, namely the Crown Leaseholds Entity (CLE) and the Land Development Working Account (LDWA). These are administered entities that we run on behalf of the Government and while we are provided with funding to run these operations, financial results are reported by the Crown Entity. The Crown Leaseholds Entity generated revenue of $68m, expenses of $30m and net losses of $29m, with a net result of $9m. The Land Development Working Account generated $13.1m in revenue with expenses of $13.5m and a result of net loss $0.4m. This net loss includes recognising a $4.7m liability for a native title claim.

Government funding of $16m is provided for LPI community service obligations and for the operations of the Office of Rural Affairs, Office of Biofuels and the Public Reserves Management Fund.

As with all government departments we operate within a legislative framework as outlined in appendix 1 (page 108).

## CORPORATE GOVERNANCE REPORT

The Corporate Governance Unit (CGU) was established to assist the Director General in the oversight of internal controls, due diligence, accountability, compliance and risk management. In addition, the Lands Audit and Risk Committee, which reports directly to the Director General, provides enhanced transparency, accountability and assist in identifying strategic improvements for Lands.

### Internal audit outcomes

Internal audit reports directly to the Director-General and the Lands Audit and Risk Committee. The unit plays an important role in the governance framework by reviewing the compliance, internal controls, efficiency and effectiveness of priority programs and business processes.

The chief auditor is also the protected disclosures coordinator and is a permanent invitee to the Lands Audit and Risk Committee, which has an oversight role of audit activities.

Lands' three-year strategic audit plan is formulated using the corporate goals, strategic risks and governance issues and is endorsed by the Lands Audit and Risk Committee and approved by the Director General.

During the year, there were 22 planned internal audit reviews, of which, 20 had been completed and two deferred to the following year as a result of request from the division.

Other activities included:

- development and review of governance related policies
- ongoing involvement in the provision of specialist advice in a range of business and operational issues
- ongoing involvement and advisory services provided to a number of Lands major projects
- ongoing involvement to the Corruption Prevention Network, CPA Focus Group, Public Sector Risk Management Association, Risk Management Leadership Group and NSW Public Sector Audit Specialist Group.

### Investigation and reviews outcomes

The Corporate Governance Unit (CGU) performed or managed investigations and reviews as a result of receiving allegations and complaints. During the year, a total of 27 complaints or allegations were undertaken or managed by the CGU, including two referrals from the Independent Commission Against Corruption (ICAC). All matters relating to corrupt conduct had been formally disclosed to ICAC.

During the year two matters investigated by CGU have been referred to the police for criminal investigation.

In 2009/10 CGU will:

- develop a governance training package to be utilised by Crown reserve trustees in the discharge of their responsibilities
- establish a compliance framework and unit to support the framework
- complete facilitation for the implementation of the Lands risk management policy.

### Audit and Risk Committee

The Audit and Risk Committee's primary objective is to assist the Director General in fulfilling his corporate governance and overseeing responsibilities in relation to Lands' financial reporting, adequacy of internal control over its business processes and functions, risk management systems, legal compliance, and the external and internal audit functions.

#### Members and attendance at meetings

The Lands Audit and Risk Committee met quarterly during the period, it also held a special meeting in June. The committee comprises of five members.

There are two independent members, one of whom presides as chairman. As a result of the withdrawal of the Director Corporate Governance from the committee, the Lands' General Counsel has been appointed as a new member during the current period. The term of appointment for the independent members is two years.

The members provide expertise in financial management, business management and development, audit, risk management, legal, valuation and property information.

#### Audit and Risk Committee attendance

Jim Mitchell, Chair, external member, 5 meetings. Ron Cunningham, external member, 5 meetings. Des Mooney, Deputy Director General, 2 meetings. Philip Western, Valuer General, 4 meetings. Eduardo Alegado (Withdrew June 2009), Director Corporate Governance, 4 meetings. Kel O'Keefe, General Counsel, 1 meeting.

# PRINCIPAL OFFICERS

**Director General**
**Surveyor General**
**Registrar General**
**Soil Conservation Commissioner**

## WARWICK WATKINS

AMP:ISMP (Harv), MNatRes, DipScAgr, HDA (Hons), FAPI, Hon FISA (NSW), FRICS, JP

Warwick Watkins was appointed Director General of the Department of Lands on 2 April 2003. He has held the position of Surveyor General since 2000 and the position of Registrar General since 2003.

He has previously held a number of executive public sector management positions in NSW including Director General of the Department of Information Technology and Management (DITM), Director General of the Department of Conservation and Land Management, Director General of State and Regional Development and Chief Executive of the Waterways Authority.

Mr Watkins is Surveyor General of Norfolk Island, President of the Board of Surveying and Spatial Information, Chair of the Geographical Names Board and Chair of the Australian and New Zealand Land Information Council (ANZLIC), Deputy Chair of the CSIRO Research Flagship, Water for a Healthy Country, a member of the ARC Centre of Excellence for Ultra-high Bandwidth Devices for Optical Systems (CUDOS), a member of the National Spatial Information for National Security Committee, Director of Intersect, a member of the Australian Water Information Council and Chair of the Australian Consultative Committee on Risk and Security.

He is also Deputy Chancellor of the University of Technology, Sydney, Director of the World Federation of Surveyors (FIG) Foundation, Chair of Spatial Information Systems Limited, Director of AuScope and a past foundation director of Landcare Australia Limited and former Deputy Chair of Land and Water Australia Board.

WARWICK WATKINS

DES MOONEY

GRAHAM HARDING

PAUL JONES

**Deputy Director General and General Manager Land and Property Information division**

## DES MOONEY

MBA (Syd), BSurv (Hons), MIS Aust, FAICD Dip FAIM, JP

Des Mooney, General Manager, Land and Property Information (LPI) since February 2001, was appointed to the additional role of Deputy Director General on 3 April 2003. He has extensive senior management experience in both the public and private sectors including experience in surveying, mapping and valuation activities.

He is a Director of PSMA (Public Sector Mapping Agencies) Australia and a member of the National Steering Committee for Electronic Conveyancing.

He is also an alternate Director of the Governing Board of the Cooperative Research Centre for Spatial Information (CRC-SI). Mr Mooney is also a registered surveyor and registered valuer.

**General Manager Crown Lands division**

## GRAHAM HARDING

Graham Harding was appointed General Manager Crown Lands division in 2004.

Graham has driven significant reforms for Crown land management in recent history.

A major thrust of these reforms is working with local government, state agencies and the private sector in the planning and appropriate development of the state's Crown reserve system.

Next financial year will see the introduction of a divisional restructure which will allow officers opportunities to focus their activities in delivering on the ground outcomes to communities across NSW.

Graham also chairs the Interstate Committee for the Tweed River Estuary Sand Bypass and is Joint Project Director of the Gosford Challenge.

**General Manager and Deputy Commissioner, Business Operations, Soil Conservation Service division**

## PAUL JONES

Eng (Civil), Certified Professional Erosion and Sediment Control (CPESC)

Paul Jones has been the General Manager of Soil Conservation Service since April 2003. He has led the drive to improve the financial position of the group with a range of new marketing strategies, Works fleet rationalisation and upgrading and environmental consultancy expansion.

With a 30-year civil engineering background, Paul has extensive experience in soil conservation works and managing a commercial earthmoving and environmental consultancy group.

With transfer of administration of the *Soil Conservation Act 1938* to Lands, Paul was appointed a Deputy Commissioner Soil Conservation Service, Business Operations, for Act administration purposes.

## HOW WE REPORT

As with all government departments we work within a large regulatory and governance environment which is outlined at figure 3 (below) demonstrating the legislative, NSW State Plan priorities and financial reporting requirements of our organisation. These factors and requirements cascade into our corporate and business reporting. Our indicators reflect our need to comply with reporting to keep our people and clients informed.

LEGISLATION
Guide our actions

STATE PLAN
The community's goal in NSW

RESULTS AND SERVICES PLAN AND STATEMENT OF BUSINESS INTENT
Linking funding with service delivery

CORPORATE PLAN
Our vision, purpose, values, services and what we want to achieve

BALANCED SCORECARD
Our preferred model

DIVISIONAL BUSINESS PLAN
Translating our purpose through initiatives and targets at the local level

**FIGURE 3** | Our reporting framework

The Department of Lands uses the balanced scorecard framework as outlined in figures 4, 7 and 8. We acknowledge this format has been useful in the change process, understanding the people and financial measures, however it doesn't fully explain our story in an accessible way and we would like to move toward a new reporting framework. This is a process of transition and a meaningful performance overview is being developed and improved with input from our management, staff and clients.

The activity indicators as shown in figure 8 have been selected from existing reporting methods. They are the best measures available. The intended reporting approach is to review and improve these measures to reflect productivity rather than activity. The process of reviewing the indicators over time provides a performance history and allows us to evaluate the effectiveness of these measures.

We have participated in the Australasian Reporting Awards over the last three years and in 2009 received a silver award as well as the Knowledge Capital Reporting Award. This process of experience and feedback in the awards has been very beneficial as we seek to improve transparency and sense making of our complex organisation.

## STATE PLAN ACHIEVEMENTS

Lands works with lead agencies in delivering results under the NSW State Plan.

While not a lead agency on the State Plan, Lands works in partnership with lead agencies to deliver results within the following priorities.

### E8 More people using parks, sporting and recreational facilities, and participating in the arts and cultural activity

$10.6m spent on Crown reserves including $5.2m for new cabins, recreational facilities and improvements at caravan parks, $1.3m developing regional Crown reserves, $580,000 upgrading showgrounds, $571,700 on improvements to local parks, reserves and walking tracks, $276,100 for reserves of regional significance and $156,000 for major walking tracks.

### R4 Increased participation and integration in community activities

Lands initiated the Crown reserve trust award under the annual NSW & ACT Regional Achievement and Community Awards, recognising the contribution of Crown reserve trusts in managing local parks, sportsgrounds, showgrounds and community meeting halls across the state.

### E4 Better outcomes for native vegetation, biodiversity, land, rivers and coastal waterways

Lands developed the Soil Policy Framework – Looking Forward, Acting Now as the basis for stakeholder consultation on the development of a new state soils policy to replace the 1987 state soils policy. Work will continue in 2009/10 towards a final soils policy document.

### S3 Improved health through reduced obesity, smoking, illicit drug use risk drinking

Active promotion of Crown reserve recreational opportunities through marketing, promotion of websites www.caravanandcampingnsw.com.au and www.stateparks.nsw.gov.au.

Marketing campaign for the 33,000 Crown reserves across NSW under the theme of 'escape close to home', resulting in increased awareness of Crown reserves.

### S8 Increased customer satisfaction with government services

Online customer services to enable self-service and increased information access (SIX, ePlan, NECS).

## BALANCED SCORECARD

Lands continues to utilise the balanced scorecard framework for corporate reporting purposes. The balanced scorecard is a preferred model as it reflects the significance of non-financial reporting in areas of significance to our operations – including the importance of:

- our **customers** through engagement/ consultation models and improved service delivery
- improvement of **our internal processes** to provide efficiencies in the way we work
- our **people** – our source of knowledge and experience, finding new and innovative ways to value add our services
- the **financial** impacts which influence our business operations.

Financial considerations remain an important factor, and by the nature of public sector reporting requirements have a level of prominence in the way we report. However the balanced scorecard framework provides a means of demonstrating our commitment to improving relationships with our customers and community, the value of our staff and the obligation to continuously improve our processes and products.

As in previous years, we are challenged to find improved metrics which reflect outcomes at an organisational level as well as remaining meaningful and appropriate to our operational divisions. Our focus on achieving business, financial and legislative obligations are often reflected in measures which are generalised and open. We seek to improve our measures in the future by making them more specific, measureable, ambitious, realistic and timely.

The balanced scorecard framework is reflected in the tables which follow the extended performance statement which reflect the corporate objectives, targets and results for 2008/09 as well as our aims for 2009/10.

This is supported by collated data providing at-a-glance results, presented through a balanced scorecard lens, comparing outcomes over the last five years.

**FIGURE 4** | Balanced scorecard framework

Photo Hamilton Lund

Brisbane Water, NSW Central Coast.

# INTELLECTUAL CAPITAL STATEMENT

This year we have chosen to undertake a retrospective of Lands' journey in implementing intellectual capital, or extended performance reporting, as we look forward to a new phase of that excursion. This is our last extended performance report for the Department of Lands. As a result of changes in administrative arrangements, our next annual report will relate to a new entity, the Land and Property Management Authority. It is, therefore, timely to reflect and take stock of the journey so far.

## The journey so far...

Shortly after the Department of Lands was re-established in 2003, we began a journey to explore different ways of reporting non-financial contributions to the value created by our organisation.

We began with the balanced scorecard framework, as outlined on page 14. This framework has remained a consistent and fundamental element of our reporting method. The balanced scorecard provided us with a structure for visualising and reporting the goals we sought for our organisation by complementing existing financial reporting with non-financial resources which contribute to the value created by Lands.

As we implemented the balanced scorecard framework, we found that there were a number of challenges in improving the reporting process and in taking the conceptual elements of the framework and actualising them in the organisation. For example, while we appreciated the value of the knowledge and experience of our staff in achieving our organisational goals, it was difficult to articulate that value in a meaningful way which was consistent with our annual reporting requirements as a public sector agency.

The next stage in the journey was greatly assisted by creating and strengthening external relationships. With advice and guidance from external organisations and individuals, we were able to draw upon a huge resource of knowledge, expertise and research capabilities.

Working with a range of universities, the Society for Knowledge Economic and other organisations were able to learn, exchange ideas, educate others and derive a direct benefit from researchers working within the organisation. This work led to the publication of academic papers, a thesis, newspaper articles, presentations in Australia and around the world as well as contributing to the development of the Society for Knowledge Australian Guiding Principles on Extended Performance Management: A Guide to Better Managing, Measuring and Reporting Knowledge Intensive Organisational Resources.

Importantly for our organisation, through discussion, learning and the process of implementation, we have acquired, and continue to acquire, a better understanding of the contribution of non-financial resources to our organisational success.

The commitment of our management, staff and partners has been recognised through the receipt of three awards over the past few years, which we have reported through our earlier annual reports.

We are proud of these achievements.

## Our future

While we have made steady progress, there is still more to accomplish.

In previous reports we have presented a diagram which reflects our reporting framework. (See figure 5, below).

This framework is underpinned by a performance reporting process. Aligned with public sector reporting requirements, many of the performance targets are financial, or have been tended to be activity based. Our focus is to improve these metrics, which are reported in the tables that follow this statement.

Rather than simply reporting on activity, which has some informative value, we are exploring the implementation a process for reporting financial and non-financial metrics which reflect more complex metrics relating to quality, timeliness and value to our customers and the general public.

During the 2009/10 reporting period we will be partnering with the University of Sydney in a further research project. It is anticipated that this research will assist us in determining whether the framework can be improved, establishing more appropriate non financial performance metrics and targets and advancing extended performance reporting across the new expanded organisation.

We intend to build our capacity to harness and communicate the value of our intellectual capital, believing that appropriate stewardship of this important asset is critical to future value creation. This process will enable us to improve sustainable management of the organisation and to enhance management efforts by realising internal synergies and external partnerships which will create greater public value outcomes and improved services for the community. We appreciate the need to identify and invest in our organisational knowledge and skills as the most valuable resource in driving reform, innovation and future value.

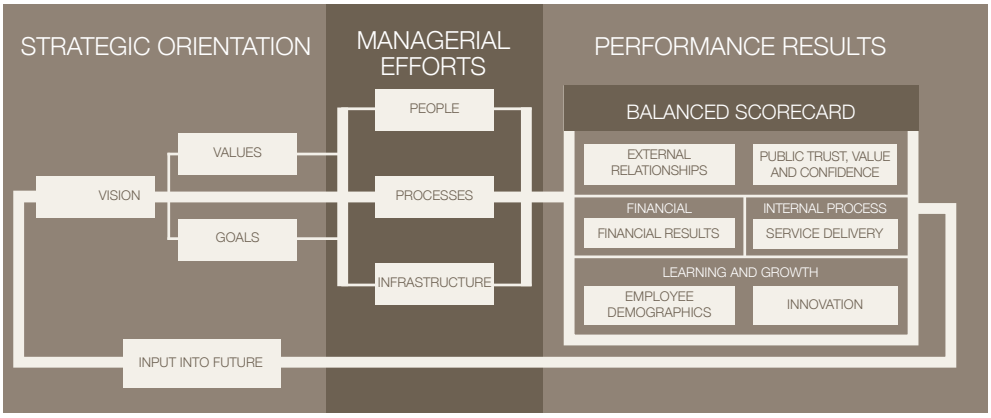



**FIGURE 5** | Intellectual capital framework

## PERFORMANCE OVERVIEW

| KEY STRATEGIC PRIORITIES | OBJECTIVES | TARGETS AND COMMENTS FOR 2008/09 |
|---|---|---|
| **OUR CLIENTS**<br><br>**Provide quality land information and management services to meet the diverse and evolving needs of NSW.** | **Service quality**<br>Continually achieve high standards of quality in service delivery in terms of relevance, accuracy, timeliness and accessibility. | Deliver SCS customer satisfaction survey program every four years, update of process following analysis. |
| | | LPI to process 90% of land transactions for registration within 48 hours of lodgment. |
| | | LPI to convert all residual parcels of old system land held in private ownerhsip to Torrens title by May 2009. |
| | | Satisfy 100% of online requests for land title searches within two minutes. |
| | | 100% of all eligible perpetual leases received by 31 Dec 2008 to be assessed for conversion to freehold. |
| | | Implement a system for measuring visits to and volunteer activities on Crown land. |
| | | Maintain navigability access to Tweed River navigation channel on a daily basis. |
| | | New ecommerce module on the SIX portal to enable one-stop shop ecommerce services and allow online payments. |
| | **Communication and consultation**<br>Continue to position Lands as provider of quality land information and management services and ensure customers and clients are aware of, and can easily access, our products and services. | Implement strategies to promote awareness and encourage access to Lands online services. |
| | | Implement strategies to increase awareness and use of recreational areas on Crown land by general public via www.caravanandcampingnsw.com.au. |
| | | Expression of Interest and community consultation on major Crown land projects. |
| **OUR SECTOR**<br><br>**Support and enhance effective legislative and policy frameworks and collaborate with stakeholders to sustain an evolving property sector.** | **Regulation**<br>Regulate the sector through a policy framework which considers the rights and responsibilities of all parties and its impact on the sector. | Implement whole of government requirements for better regulation outcomes. |
| | | Improve the process for determination of submitted Aboriginal land claims within existing resources. |
| | | Total funding program of $625,000 approved for weed and pest control projects. |
| | | *Rural Fires Act 1997* bushfire hazard control allocation of funding for bushfire mitigation within existing staff resources.<br>70% of asset protection zone plans to be implemented. |
| | **Engagement**<br>Engage with stakeholders to identify emerging trends and improve understanding of the issues affecting the property sector. | Develop and implement collaborative programs with six catchment management authorities (CMAs). |
| | | Announcement and implementation of Building the Country Package via Office of Rural Affairs. |
| | | Sponsorship of community and professional organisations to support regional communities and build relationships with key stakeholder groups. |
| | **Support**<br>Support the sector through education, industry analysis and funding initiatives. | Support and fund research relating to spatial data. |
| | | Participate in the development of a National Electronic Conveyancing System (NECS). |
| **OUR ORGANISATION**<br><br>**Continue to build an organisation with accountable and sustainable operations.** | **Learning and Growth**<br>Maintain a skilled, service-oriented and motivated workforce. | LPI investment in skills and management training for staff. |
| | **Our Environment**<br>Support whole-of-government initiatives for environmental sustainability. | Continue to implement environmentally friendly initiatives such as waste and energy reduction and maintain organisational awareness. |
| | **Internal Processes**<br>Continually improve systems and processes to support the achievement of business outcomes. | Implement and roll out of corporate records management system. |
| | | Integration of SAP finance with titling and registation point-of-sale systems to provide automated services as well as clients able to view accounts via SIX. |
| | | Develop and implement a Lands risk management framework. |
| | **Financial**<br>Maintain financial accountability and sustainability. | Meet LPI financial reporting targets set out in the statement of business intent. |
| | | The revenue target for the Crown Land Strategic Development and Marketing Program was $13m. |

**FIGURE 6** | Performance overview

| WERE THESE TARGETS ACHIEVED? | AIMS FOR 2009/10 |
|---|---|
| Yes. | Implement survey in 2010. |
| Yes. | Continue to satisfy target. |
| Target substantially achieved. Revised completion date early 2010. | Complete old system conversion project and reassign resource to Crown land conversion project. |
| Yes. | Continue to satisfy target. |
| Targets were revised due to an unexpected increase in applications received. | All eligible perpetual leases to be assessed for conversion to freehold by Dec 2010. |
| System is in place and initial figures have been gathered. | Continue to gather data and monitor data trends. |
| Yes. More information is available at page 36. | Continue to maintain navigability 24x7. |
| Yes. The first system using this facility was the ePlan electronic lodgment facility. This included full integration of front and back office systems. | Plans to expand ecommerce modules into other projects; CLID, CORS infrastructure, LPI online and other client payment systems. |
| Successfully implemented strategies to raise awareness of Lands and its services amongst the targeted client groups including public relations activities and media advertising. | Continue to implement strategies and promote awarenss of Lands services. |
| Yes. Developed and launched an enewsletter in August 2008 which now has over 10,000 subscribers. | Increase value to subscribers to maintain and build subscribers to enewsletter. Conduct online survey to gauge customer satisfaction. |
| Seven plans of management were adopted. See page 35 for details. | Complete five projects in 2009/10. |
| Integrated better regulation processes in submissions for legislative reform and review. | Continue to improve processes to reduce administrative complexity and improve public outcomes through reform. |
| Process is being reviewed and initial improvements implemented. | Outstanding claims submitted between 1983 and 1993 must be determined by December 2009 and target reduction of 65% of current number of outstanding land claims in the next 12 months. |
| Funds allocated across Crown land regions. More information is available at page 36. | Similar funding levels proposed for 2009/10 reporting period, subject to approval. |
| Projects funded in 2008/09 include the allocation of $500,000 to Crown Lands, $964,000 from fire mitigation works administered by Bush Fire Coordination Committee and $22,000 from the Commonwealth Bushfire Mitigation Program 2007/08. More information is available at page 36. | All asset protection zones managed by Lands to be maintained and operational for the fire season. All fire trails managed by Lands to be classified as per the bushfire coordinating committee policy. All fire trails managed by Lands to be inspected by 30 August 2010. |
| Completed. | Develop programs with an additional five CMAs. |
| Round one of the program completed. Full details in ORA report (page 48). | Complete round two of program by end of financial year. |
| Yes. Sponsorships are listed in appendixes (page 135). | Continue to support regional communities and industry associations. |
| A partner in Cooperative Research Centre for Spatial Information and in research projects approved by the Australian Research Council. Jointly funded an earth sciences professorship at University of NSW. | Continue to partner and fund research related spatial data, including support for a new ARC project to investigate national requirements for a system to spatially enable data about property rights and restrictions. |
| Contributed to the national work program to document system requirements and managed the NECS Readiness Program. See page 27. | Continue to work to achieve the milestones set by COAG for implementation of NECS, and prepare NSW for its implementation through customer consultation and legislative review. |
| Recruited 33 graduates and trainees to training positions for a period of two years in various LPI and business support areas. | Recruit up to 35 graduates and other trainees and address training needs analysis results through training and development programs for existing staff. |
| Reduced waste and energy consumption activities through water and paper recycling and implemented educational activities on environmental issues for staff and the public. | Continue to implement environmentally friendly initiatives such as waste and energy reduction and maintain organisational awareness. |
| Yes, including the development of the Functional Retention Disposal Authority (FRDA) for all divisions which underpin the corporate records management system. | Continue roll out including integration of corporate records management system with sharepoint to provide additional collaboration features. |
| Yes, the target was achieved. Back office automation reporting systems in place enabling us to produce electronic statements and reconciliation of accounts. | Continue to improve systems integration. |
| Successfully introduced Lands risk management framework including documented policy and a risk register. | Develop and review the required component documents of the Lands corporate governance framework. |
| Targets exceeded. | Meet LPI financial reporting targets as set out in the statement of business intent. |
| Yes, the target was achieved and a flexible sales plan have been developed for the next five years to meet annual revenue targets. | The proposed revenue target is $13m. |

## BALANCED SCORECARD

### Our customers

| Corporate objective | Business division targets 2008/09 | Were the targets achieved? | Aims for 2009/10 |
|---|---|---|---|
| Provide land information and management services that are accessible and responsive to meet the needs of our diverse client base. | Positively contribute to national collaborative effort by government and industry to develop a National Electronic Conveyancing System by 2010. | Contributed to developing the definition of national requirements, legal framework and data standards. Conducted an economic appraisal to identify savings. Identified and documented process model. | Develop governance arrangements in line with COAG agreement. Carry out consultation on business processes. Develop proposals for NSW property legislation reform. |
| Develop partnerships and improve relationships with other agencies, business and the community. | Development of a contemporary NSW Soil Policy to replace the existing 1987 policy, working with the state's natural resource agencies. | NSW Soil Policy not completed. Three external consultation workshops held with targeted organisations and individuals to seek feedback on policy direction. Consultant engaged to coordinate and review responses to incorporate into draft policy. | Policy document prepared and sign off by Natural Resources Cluster Group and Cabinet. |
| | Expand services to natural resource agencies to assist implementation of the NSW Government's State Plan 'Environment for Living' priorities. | Developed working relationships with government and private sector implementing environmental land rehabilitation projects. | Continue expansion of environmental services and best management practices in line with NSW State Plan E4. |
| | Recruitment of additional Soil Conservation Service Consult staff to meet growing client demand in environmental consult service. | Six new consult staff engaged, two Parramatta, two Newcastle, one each Orange and Ballina following very strong consult demand. | Up to six consult staff employed, subject to work demand, as per Cabinet and Treasury approval of SCS Business Plan. |
| | Improving access to and use of Crown lands for broader community benefit. | Two new state parks established at Broken Hill and Cronulla. Three new national surfing reserves were created at Merewether, Cronulla and Killalea. Two canoe trails were established- the Macquarie River Canoe Trail and Murrumbidgee Canoe Trail. | There are no targets set for 2010 in this area. |

### Our financials

| | | | |
|---|---|---|---|
| Contribute to the economic sustainability of NSW by efficiently using available human, financial and physical assets. | Continue to expand land and spatial services required by business so that they remain economically sound and competitive. | Established SharePoint repository. Expaned databases to support online demands. Improved access for brokers through VPN. Supported non-stop operations architecture. | Satisfy demands with SIX. Establish a customer eService program. Build infrastructure investments. Continue electronic service initiatives. |
| To implement economic and organisational reform of government businesses within the agency. | Develop the Lands Spatial Data Infrastructure as the primary building block onto which other agencies can add or build their own spatial data infrastructure components. | Completed 23 local government cadastral upgrades. Established nine CORS stations. Aligned all NSW suburb and postcode boundaries. | Develop cadastral workflow program. Establish 13 CORS stations. Establish MoU with all LGAs to validate addresses. |
| Providing spatial information and other data that supports public and private sector growth. | Work with Treasury to secure endorsement of the future direction and strategies to ensure continued operation of Soil Conservation Service. | Treasury and Cabinet Budget Committee approved SCS business plan in April allowing commencement of work on strategies to reposition business. | Review business plan financial targets, provision of quarterly statement of business intent and progression of plan strategies. |
| | Continue the expansion of Soil Conservation Service's Consult activities to improve overall financial performance to achieve ongoing financial viability. | Consult income for year $14.5m exceeded the business plan target budget of $13.8m, up 5%, despite severe economic downturn. | Expand Consult income to meet revised business plan targets, 2009/10 budget $16m. |
| | Continue to work with communities, local councils, state agencies and private entities to ensure Crown lands are available for recreational, social and commercial developments, where appropriate. | All regions and program officers are aware of division's business directives, which require public value and business case justification to be progressed. Agreed and supported management policy positions have been developed with representative agencies, including Caravan & Camping Association, Boating Industry Association, Boat Owners Association and the Marina Association of Australia. | Greater project management reporting is proposed for all regions, where identified budget allocations will justify project benefits, scope, policy implications, measurable outcomes, funding and staff options/allocation/requirements, and address prioritised, business initiatives and practices. |

**FIGURE 7** | Balanced scorecard activities

## Our processes

| Corporate objective | Business division targets 2008/09 | Were the targets achieved? | Aims for 2009/10 |
|---|---|---|---|
| Review internal business processes to deliver improvements in the quality of our services and products, to reduce inefficiencies and to achieve desirable financial, environmental and social outcomes. | Continue electronic conversion of live old system, manual Torrens titles and Crown parcels.<br><br>Complete digitisation of the old form Torrens register, and identify other original records series of historic importance to be prioritised for digitisation and conservation. | Conversion of old system and manual Torrens titles nearing completion.<br>50% of Crown parcels completed.<br>Old form Torrens register completed. Prioritisation of other record series completed and funding secured for future projects. | Continue Crown parcel conversion.<br><br>Commence microfilm titling records digitisation project. |
| | Implement LiDAR technology to enhance LPI spatial imagery capabilities. | Acquired LiDAR in July 2008 and completed testing and training in 2009. | Capture hi-res elevation data along NSW coastline. |
| | Extend automated processing of objections to valuations to encompass communications with valuation contractors and issue of decisions to landowners. | Implemented objection document management system in April 2009. | Undertake customer satisfaction surveys. |
| | Implementation and accreditation of the Soil Conservation Service Integrated Management System (IMS) which includes quality, environmental and OHS management systems to Australian standards and international standards. | IMS procedures completed. Internal and external audits completed. IMS system externally accredited, Quality to ISO 9001:2001, OHS to AS4801:2001, Environmental to AS/NZL ISO 1400:2004. Intranet access to all SCS staff. | Maintain external accreditation and improve system procedures.<br><br>Undertake internal audits to ensure staff compliance of procedures. |
| | Continue the Crown Lands Conversion, Valuation and Asset Management Program. | 50% of the reserves have been converted to Torrens title. The valuers are on target with over 15,000 reserves assessed, and almost 4,000 individually valued. Crown Reserves Reporting System (CRRS) delivered. | Continue the Crown Lands Conversion, Valuation and Asset Management Program, CRRS will be capturing data on over 1,000 trusts. |

## Our people

| | | | |
|---|---|---|---|
| Develop a dynamic, integrated organisation by sharing, retaining and building corporate knowledge, adopting 'smart' technologies, and encouraging innovation and teamwork. | Progressively recruit highly skilled professionals for specialist spatial information positions to replace skills lost due to staff retirements. | 33 graduates/trainees recruited as part of LPI's Vision 2013 succession planning strategy. | Continue recruitment of graduates/trainees based on work force planning requirements. |
| | Development of internal soil conservation staff training programs for new staff.<br><br>Encourage and support training to further develop business opportunities. | Staff induction and training programs implemented. Motor vehicle guidelines developed for SCS staff. 10 staff undertaking external studies and assisted with tertiary course fees. | Continue staff training assistance and encourage skill development to enhance business opportunities. |
| | Develop and begin the implementation of a management and leadership program that references and integrates the NSW Public Sector Capability Framework. | Training needs analysis completed April/May 2009. | Development of management and leadership program based on identified priorities. |
| | Develop a managers' and supervisors' toolkit which can be readily accessed by all staff. | Objectives will be met by management and leadership program and user friendly policies and procedures. | Improve accessibility of HR policies/procedures and use of online technology. |
| | Pilot the Department's new online induction program. | Online induction program implemented June 2009. | Program completed in 2008/09 reporting year. |
| | Encourage the participation and development of women at all levels of the organisation through workplace initiatives and programs. | A number of programs implemented for getting women at different levels and locations, included: Spokeswomans', ementoring and springboard career programs. | Continue to review women's development program. |
| | Prepare for the implementation of SAP HR project. | Tender for SAP HR provider issued. | Program to commence in Sept 2009. Full transition complete by June 2010. |

# FIVE YEAR PERFORMANCE SUMMARY
## Balanced Scorecard

| OUR CUSTOMERS | | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target for 2008/09 | Actual for 2008/09 | % change against 2007/08 | Expected trend |
|---|---|---|---|---|---|---|---|---|---|
| Land title transactions registered | LPI | 806,965 | 810,037 | 793,582 | 798,977 | 700,000 | 730,243 | -8.6% | ► |
| Plans registered | LPI | 13,181 | 11,912 | 11,261 | 10,782 | 10,300 | 10,192 | -5.5% | ► |
| Copies of land title related documents supplied to customers | LPI | 4.25m | 4.27m | 4.4m | 4.5m | 4.2m | 4.06m | -9.7% | ► |
| Boundary determinations | LPI | 17 | 16 | 8 | 6 | n/a | 12 | 100% | n/a |
| Survey enquiries (including SCIMS searches) | LPI | 88,081 | 78,970 | 76,932 | 68,325 | n/a | 59,939 | -12.3% | ▼ |
| Number of formal customer complaints | SCS | 4 | 3 | 3 | 9[1] | 9 | 12 | 33% | ► |
| New SCS clients: | SCS | | | | | | | | |
| ■ Consult | | 22 | 25 | 29 | 48 | 36 | 44 | -8.3% | ▲ |
| ■ Works | | 269 | 226 | 218 | 185 | 201 | 168 | -9.1% | ► |
| ■ Operations | | 5 | 6 | 4 | 2 | 4 | 1 | -50% | ► |
| % of all eligible perpetual leases converted to freehold (cumulative) | CL | - | 36.58 | 42.45 | 58 | 67 | 56 | -3.4% | n/a |
| No. of major regional reserves established | CL | - | 1 | 37 | 40 | n/a | 2 | -95% | n/a |
| Total recreational trails and tracks established on Crown land | CL | 6 | 6 | 6 | 6 | 7 | 7 | 16.6% | n/a |

| OUR FINANCIALS | | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target for 2008/09 | Actual for 2008/09 | % change against 2007/08 | Expected trend |
|---|---|---|---|---|---|---|---|---|---|
| Total operating revenue | Lands | $165m | $172m | $188m | $213m | $205m | $226m | 6% | ▼ |
| Value of PPE and intangible assets | Lands | $117m | $141m | $164m | $172m | $173m | $190m | 10% | ▼ |
| Maintenance costs as a % of PPE assets | Lands | 3 | 2 | 2 | 2 | 2 | 2 | 0% | ► |
| Revenue from administered activities (Crown Entity) | CL | $115m | $64m | $113m | $151m[3] | $85m | $81m | -46% | ▼ |
| Revenue from land sales on behalf of Land Development Working Account[2] | CL | $54m | $20m | $19m | $18m[3] | $10m | $13m | -26% | ▼ |
| Revenue from leases, permissive occupancies, royalties, water licences etc on behalf of the Crown Leaseholds Entity | CL | $46m | $41m | $41m | $55m | $64m | $61m | 10% | ▼ |
| Operating profit (loss) before income tax[4] | LPI | $50m | $38m | $35m | $41m | $19m | $25m | -39% | ▼ |
| Return on assets[4] | LPI | 35% | 25% | 18% | 23% | 12% | 14% | -39% | ▼ |
| Total debt to total assets[5] | LPI | 112% | 54% | 38% | 51% | 39% | 119% | 131% | ► |
| Profit margin before income tax[4] | LPI | 33% | 24% | 21% | 22% | 10% | 13% | -40% | ▼ |
| SCS revenue: | SCS | | | | | | | | |
| ■ Consult | | $6.6m | $7.6m | $11.5m | $15.3m | $13.8m | $14.5m | -5.2% | ▲ |
| ■ Works | | $7.4m | $7.4m | $7.9m | $7.7m | $7.3m | $6.8m | -11.6% | ► |
| ■ Operations | | $2.9m | $3.1m | $4.5m | $4.8m | $3.8m | $4m | -16.6% | ► |

**FIGURE 8** | Five Year Performance Summary

FOOTNOTES:
1. Change in SCS formal complaints recording to align with requirements of QA ISO9001:2000.
2. Description has been changed from previous annual reports.
3. The 2007/08 figures have been changed as a result of errors identified during the 2008/09 audit.
4. During 2008/09 NSW Treasury had a change in accounting policy that all NSW government agencies were required to adopt in relation to superannuation. As a result, superannuation actuarial gains and losses have been removed from the operating statement. For comparative purposes all defined benefit superannuation figures have been excluded from these calculations and the prior year figures have been updated from previous annual reports.
5. Debt to asset ratios are affected by the variability in net superannuation position on the balance sheet.

Photo Sharyn Cairns

Byron Bay, NSW Far North Coast.

| OUR PROCESSES | | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target for 2008/09 | Actual for 2008/09 | % change against 2007/08 | Expected trend |
|---|---|---|---|---|---|---|---|---|---|
| Hectares treated with conservation earthworks | SCS | 32,536 | 23,375 | 24,151 | 16,437 | 20,000 | 14,860 | -9.6% | ▶ |
| SCS projects undertaken: | SCS | | | | | | | | |
| ■ Consult | | 216 | 263 | 338 | 377 | 386 | 345 | -8.4% | ▲ |
| ■ Works | | 795 | 700 | 715 | 613 | 658 | 594 | -3.1% | ▶ |
| ■ Operations | | 24 | 33 | 32 | 24 | 26 | 32 | 33.3% | ▶ |
| Number of weed control projects supported by Crown Lands | CL | 120 | 100 | 125 | 129 | n/a | 148 | 14.7% | ▶ |
| Survey control infrastructure improvement[6] | LPI | - | - | 12,879 | 6,719 | 12,000 | 5,625 | -16.2% | ▶ |
| Land parcels added or updated to the digital cadastral database[7] | LPI | - | - | 560,449 | 233,915 | 260,000 | 237,750 | 1.6% | ▶ |
| Feature changes to digital topographic database | LPI | 1.83m | 0.89m | 0.91m | 2.2m | 1m | 2.27m | 3.2% | ▶ |
| Aerial photographs (analogue)[8] | LPI | 16,166 | 13,785 | 14,095 | - | - | - | - | - |
| Aerial photographs (digital) sq km coverage | LPI | - | - | - | 173,681 | 180,000 | 140,537 | -19% | ▲ |
| Aircraft flying hours (aerial photography) | LPI | 387 | 413 | 447 | 478 | 400 | 409 | -14.4% | ▲ |
| % non-computerised land parcels converted to the Integrated Titling System (cumulative) | LPI | | | | | | | | |
| ■ Old system | | - | 62 | 89 | 92 | 100 | 94.7 | 2.9% | ▲ |
| ■ Manual Torrens (excl. lease folios) | | - | 57 | 79 | 93 | 100 | 96 | 3.2% | ▲ |
| ■ Lease folios | | - | - | 70 | 78 | 100 | 81 | 3.8% | ▲ |
| ■ Crown parcels | | - | - | 8.5 | 30 | n/a | 50 | 66.7% | ▲ |

| OUR PEOPLE | | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target for 2008/09 | Actual for 2008/09 | % change against 2007/08 | Expected trend |
|---|---|---|---|---|---|---|---|---|---|
| % of staff turnover | Lands | 7.5 | 5.1 | 6 | 7.2 | n/a | 5.8 | -19.4% | n/a |
| Number of employees | Lands | 1,427 | 1,453 | 1,551 | 1,597 | n/a | 1,618 | 1.3% | n/a |
| Average age of employees | Lands | 45 | 46.49 | 46.48 | 46 | n/a | 46.4 | 0.8% | n/a |
| % of staff who identify as being of NESB | Lands | 15.3 | 16 | 14.2 | 13.6 | n/a | 13.5 | -0.7% | n/a |
| Women as a % of total staff | Lands | 36.5 | 36 | 36.4 | 37.8 | n/a | 38.8 | 2.6% | n/a |
| Internal courses attended | Lands | 429 | 643 | 290 | 863[9] | n/a | 560[10] | -35.1% | n/a |
| External courses attended | Lands | 261 | 562 | 514 | 309 | n/a | 230[10] | -25.6% | n/a |
| Significant committees and statutory bodies involving Lands representatives | Lands | 29 | 65 | 91 | 85 | n/a | 89 | 4.7% | n/a |
| Research partnerships | Lands | 6 | 5 | 5 | 2 | n/a | 3 | 50% | n/a |

FOOTNOTES:
6. Represents all new survey marks established and existing survey marks improved in positional accuracy.
7. Represents all new parcels added from registered plans as well as all changes to existing parcels.
8. Analogue aerial photography ceased with acquisition of aerial digital camera technology in 2006/07.
9. There have been a large number of courses relating to OHS and records management conducted internally.
10. Figures approximate as not all training courses reported. A program is currently in place to accurately record figures for 2009/10.

Photo Hamilton Lund Tourism NSW

# 2 THE VALUER GENERAL'S REPORT

**ENSURING AN OPEN AND TRANSPARENT VALUATION SYSTEM FOR THE PEOPLE OF NSW**

**Valuer General**

## PHILIP WESTERN

BAgrCom (VFM) FAPI, AIMM, ANZPI

Philip Western is the principal advisor to the NSW Government on valuation issues.

Philip has been responsible for overseeing some significant enhancements to the NSW valuation system, in a drive to improve the quality of land values and communication with the public.

Previously Philip worked extensively in senior management roles in the field of rating and taxation valuations.

Philip is a fellow of the NSW division of the Australian Property Institute (API), the NSW National Councillor on the National API Board and was recently elected as the National Junior Vice President of the API.

Philip is a member of the advisory board for the Canadian based International Property Tax Institute.

In his spare time, Philip is President of the Board of NSW Gymnastics and a member of the NSW Rhythmic Gymnastics Sports Management Committee.

The Valuer General oversees the valuation process managed by Land and Property Information, Department of Lands to ensure fair, consistent and transparent land values for all stakeholders.

### The Valuer General is a statutory position responsible for:

- the provision of fair and consistent land values for rating and taxing purposes made under the *Valuation of Land Act 1916*
- determination of compensation following compulsory acquisition of land under the *Land Acquisition (Just Terms Compensation) Act 1991*
- the provision of specialist valuation and property advice to government.

## VISION

The Valuer General's vision is to ensure the delivery of valuation services that are customer focused and outcome driven.

The Valuer General is committed to providing a valuation system that is focused on meeting the needs of a range of stakeholders and delivering timely outcomes that are fair, consistent, transparent and provide value for money.

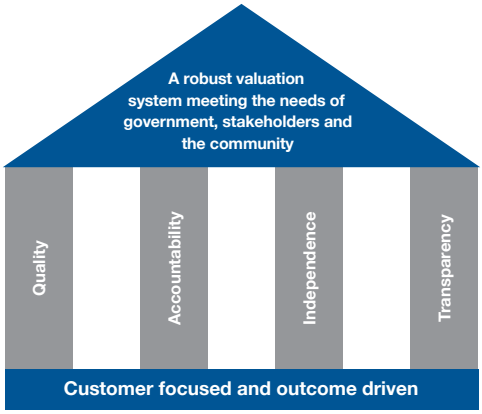



**FIGURE 9** | Valuation system

## OUTCOMES

- A quality, cost effective valuation process.
- An open and transparent valuation system.
- Our focus remains on continuous improvement as a cornerstone of the valuation system.
- We measure the quality of our valuation services through recognised quality standards and international benchmarks.
- Working relationships with our stakeholders are founded on regular consultation and open communication.
- Improved communication with all stakeholders including members of the public.
- The provision of professional leadership and stewardship to the valuation industry by the Valuer General.

## VALUATION

There are approximately 2.4 million land valuations produced annually in New South Wales. The Valuer General provides land values to local councils for rating and the Office of State Revenue for managing land tax, as well as a number of other government agencies.

Land value reflects the market value of the land as at 1 July in the year of valuation and is based on the land being vacant.

Most land in NSW is valued using the mass valuation approach, where properties are valued in groups called components. The properties in each component are similar, or are expected to reflect changes in value in a similar way.

Each valuation is recorded in the register of land values.

## Land and Property Information division

The Valuer General oversees the valuation process managed by Land and Property Information (LPI). LPI provides the link between the independent valuation service contractors and the Valuer General.

LPI provides a range of valuation services to the Valuer General, including the management of valuation contracts, the provision of information to contract valuers, the objection review process, the provision of information to stakeholders, as well as auditing and ensuring the quality of land values and the day to day management of valuations completed under the *Land Acquisition (Just Terms Compensation) Act 1991*.

LPI's services to the Valuer General are formalised through a service level agreement. The agreement for the next 12 months commences 1 July 2009.

The 2008/09 agreement covered areas including valuation services, valuation accuracy and consistency, data quality and customer service. Refer to LPI's Valuation Services report on page 30 for details on performance outcomes.

# GOVERNANCE

The Valuer General reports administratively to the Minister for Lands and the Director General of the Department of Lands.

The Committee on the Office of the Valuer General monitors and reviews the functions of the Valuer General.

## Parliamentary committee

The Committee on the Office of the Valuer General was first established in July 2003 as a joint statutory committee and operated until the end of the 53rd Parliament in early 2007.

The committee was re-established in the 54th Parliament on 25 September 2008 as a joint standing committee, by resolution of the Parliament.

The committee comprises five members, including two members of the Legislative Council and three members of the Legislative Assembly.

The primary function of the committee is to monitor and review the exercise of the Valuer General's functions with respect to land valuations under the *Valuation of Land Act 1916* and the *Land Tax Management Act 1956*. In particular, the committee can monitor valuation methodologies, the arrangements under which valuation contracts are negotiated and entered into, and the standard of valuation services provided under such contracts.

The committee has met with the Valuer General and examined the general operations of the valuation system and reviewed issues raised by the previous committee.

The committee has tabled its report on the fifth general meeting with the Valuer General.

## Land Valuation Advisory Group

The Land Valuation Advisory Group comprises representatives of valuation industry groups and stakeholders. The group's primary focus is to provide advice to the Valuer General on the application of mass land appraisal techniques. The group also provides feedback to the Valuer General on general valuation matters.

The group met once during the year. Principal matters for discussion, consideration and advice were:

- the 1 July 2008 valuations
- valuation contract management
- the ongoing parallel valuation project
- the outcomes of the survey on customer service satisfaction
- research into alternate valuation methodologies.

## Structure of the Office of the Valuer General

The Office of the Valuer General comprises the Valuer General and 4.4 permanent staff.

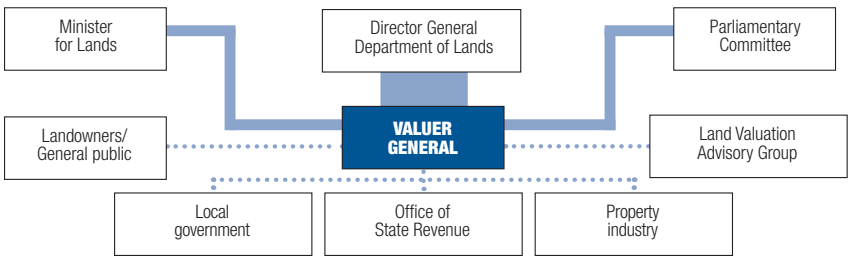



**FIGURE 10** | Valuer General governance

# REPORT ON PERFORMANCE

## Communication

The Valuer General's communication strategy ensures communication is open, informative and transparent. It encourages feedback and discussion.

The strategy has resulted in the provision of more information to stakeholders on the valuation process and more detailed information on the property market.

Continuing positive feedback has been received from stakeholders including the Office of State Revenue, Local Government and Shires Association, Department of Local Government, Rating Professionals Association, individual councils and individual landowners on the consultative approach to valuation matters and the quality of service. Information on the customer satisfaction survey undertaken in 2008 is below.

Publications available from the Office of the Valuer General include Your land value - a brief guide to the land valuation process, Your land value review guide, Valuer General newsletters, Our service to you, Notice of Valuation fact sheet and Land values for irrigation properties.

The biannual Valuer General's newsletter was developed in 2004 to improve access to valuation information. The January newsletter is distributed with Notices of Valuation. The July newsletter is distributed by participating councils with rates notices. A wide distribution of the newsletters was achieved.

- July 2008 newsletter – approximately 1.4 million copies.
- January 2009 newsletter – approximately 750,000 copies.

A review of the valuation information for the Department of Lands website was completed in 2008.

The content was evaluated to ensure the information met the requirements of our customers and was accurate and accessible. The Valuer General's media releases are now available on the website.

The valuation information on the website is continually monitored to ensure it is accurate and up-to-date.

## Customer satisfaction survey

The Valuer General commissioned an independent survey in 2008 to measure the level of landowners' satisfaction with the valuation call centre and follow up contact from LPI.

Key areas of service considered in the survey included:

- understanding your enquiry and providing the information you need
- being knowledgeable
- speaking clearly and using language that is easy to understand
- being polite, patient and courteous
- promptly answering your call.

Over two-thirds of survey participants rated the quality of their overall experience as high. No area of service was rated as low.

A significant determination from the survey was that effective and prompt resolution of an enquiry is the key to higher customer satisfaction.

A review of our overall customer service has occurred in light of the survey results and a number of improvements have been implemented to enhance the ability of the valuation call centre's staff to thoroughly answer customers' enquiries. For example, procedure manuals and frequently asked questions have been expanded and more extensive property information and customer activity records are now available to officers at the valuation call centre to improve their ability to resolve enquiries.

If an enquiry cannot be answered during the initial call it is referred to a specialist staff member such as a registered valuer or team leader within land data management and the customer advised of the time frame for follow up action.

The Valuer General has introduced a key performance indicator to ensure the majority of referred enquiries are responded to within three days.

It is intended that the results of the survey will be used as a benchmark for further surveys.

## Land Value Verification Project

With the support of the NSW Government, the Valuer General implemented the Land Value Verification Project on 1 May 2006 as part of the drive to enhance the quality of land values. Over the five year period of the project all land values and attributable data will be reviewed. Approximately 20% of the 2.4 million land values in NSW are reviewed each year.

The project met the 60% target of verified land values in the period 1 May 2006 to 30 April 2009.

## Valuation objections customer service

The Valuer General continues to focus on improving the objection and customer service component of the valuation system. The role of the team set up in 2007 to focus on processing objections and improving service to landowners has been extended to provide comprehensive customer service for all valuation enquiries.

The new processes to improve objection processing times have had a positive impact in reducing time frames and are being further built upon to ensure continuous improvement.

## Research

The Valuer General, in conjunction with the University of Western Sydney, is conducting ongoing research to examine and improve aspects of the valuation system including the composition of valuation components, benchmark selection and review, and the improved application of qualitative statistical techniques. Key outcomes during 2008/09 included:

- the identification of improved monitoring of valuation outcomes and contractor performance through more comprehensive data analysis leading to the introduction of the Valuation Analysis Package by LPI
- identification of parameters to increase the number of 'representative properties' individually valued within components throughout the state
- independent analysis of objection processes and outcomes to further improve the quality and efficiency of the valuation system
- independent analysis of valuations in the City of Sydney. This has shown improvement in the accuracy of land values from 1 July 2007 to 1 July 2008.

## Valuation system benchmarking/Cost efficiency

The Valuer General is committed to ensuring that the NSW valuation system is efficient in terms of cost, valuation quality and outcomes.

The International Property Tax Institute (IPTI) undertook a benchmarking study which compared the cost of determining valuations for rating and taxing purposes from a number of leading valuation jurisdictions around the world including England, Wales, various provinces of Canada, various jurisdictions of the United States, New Zealand, Hong Kong and most Australian states.

KMPG analysed the results of the IPTI study and concluded that NSW is a cost effective valuation provider.

In examining the pricing of valuation services to local councils the Independent Pricing and Regulatory Tribunal (IPART) determined that valuation services were provided cost effectively.

Consultation with overseas jurisdictions has shown the public feedback and communication systems in NSW are comparable to leading agencies such as England and various Canadian provinces.

## Legislation

The Valuer General regularly reviews the *Valuation of Land Act 1916* to determine where amendments are required.

Amendments will continue to be considered as the Valuer General strives for increased transparency and clarity within the *Valuation of Land Act 1916*.

## Pricing of valuation services

The Valuer General, in consultation with the NSW Government, local government and the Independent Pricing and Regulatory Tribunal (IPART), sought a review of pricing for valuation services to local government. IPART last set prices in 1995 which applied until 30 June 2009.

IPART commenced its review of pricing for valuation services to local government in 2007 and made its determination in July 2008. The Valuer General provided a submission to the review and took part in interviews and a public consultation process.

As part of the review IPART examined the efficiency of the valuation services provided to councils and determined that valuation services provided to our customers are cost efficient.

IPART supported the Valuer General's determination that services to councils are responsible for 40% of the costs incurred by the Valuer General.

In its final determination IPART has increased prices to councils to reflect the efficient costs of providing valuation services. In considering the impact of the price increase on councils IPART determined that the new pricing structure be phased in over five years to recover local councils' share of full efficient costs by 2013/14.

**Comparison of current prices and the new price from 1 July 2009**

| | | | | |
|---|---|---|---|---|
| Residential valuation | 1995-2008 | $3.60 | 2009-2010 | $4.24 |
| Non-residential valuation | 1995-2008 | $7.90 | 2009-2010 | $9.31 |

**FIGURE 11** | Valuation price comparison

# FUTURE FOCUS

## Valuation quality

Continue towards improving the quality of valuations for the benefit of all stakeholders. Key projects include:

- the Land Value Verification Project
- increasing the number of 'representative properties' individually valued within components throughout the state
- expansion of the parallel valuation project
- further development and application of qualitative analysis tools for auditing and quality control of valuations
- consideration of expert contract valuers to determine land values state-wide for specialist property such as mines and shopping centres.

## Land value review process

Continue to improve the valuation review process including faster objection processing.

## Communication

Continue to improve our service to all stakeholders including ratepayers, land tax clients, local councils and the Office of State Revenue through:

- monitoring and building upon the customer service improvements implemented as a result of the customer satisfaction survey
- undertaking further surveys for customer service
- engaging in regular consultation with our stakeholders.

## Integration of data

Develop and improve access to electronic data from across the Department of Lands and other organisations to enhance the availability of information for the valuation process.

## Staff development

Build a skilled, capable and valued workforce by investing in enhancing the expertise of staff and contractors including further development of skills in the use and interpretation of statistical reports, so the information can be used to best effect in ensuring the quality of valuations.

## Valuation system benchmarking

The Valuer General will continue to work with the International Property Tax Institute, international and Australian state valuation jurisdictions in a drive to further improve the NSW valuation system, the quality of land values and the delivery of efficient valuation outcomes.

**Philip Western**
Valuer General

| Key Performance Indicators (KPI) | Target | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|---|---|---|---|---|---|---|
| Total valuations issued for rating and taxing purposes | | 1,413,362 | 1,097,000 | 1,508,534 | 1,456,741 | 1,506,235 |
| Total valuations on register of land values at 30 June | | 2,357,280[1] | 2,372,936[1] | 2,389,193 | 2,403,557 | 2,416,581 |
| **Ratepayers** | | | | | | |
| % Notices of Valuation issued within 31 days | 95% | 86% | 95% | 98.2% | 89.7% | 96.5% |
| % Notices of Valuation for general valuation issued to property owners within agreed SLA timeframe | 100% | 100% | 100% | 100% | 100% | 100% |
| **Councils** | | | | | | |
| % general valuations land values issued to relevant councils within agreed SLA timeframe | 100% | 100% | 64%[2] | 100% | 100% | 100% |
| % supplementary valuations to council within 31 days | 95% | 95% | 95% | 96.4% | 95.4% | 99.9% |
| **Office of State Revenue** | | | | | | |
| % objections to land values for land tax completed within 90 days | 30% | 55% | 30% | 18%[3] | 16%[3] | 37% |
| % objections to land values for land tax completed within 180 days | 75% | 84% | 69% | 61%[3] | 77%[3] | 92% |
| % objections to land values for land tax, where land value is greater than $1m, within 120 days | 95% | 55% | 40% | 22%[3] | 24% | 67% |
| % new land values issued to all property in NSW to OSR by 16 November | 100% | 100% | 99% | 100% | 100% | 100% |
| **Supplementary valuations** | | | | | | |
| Total supplementary valuations issued | | 46,806 | 41,987 | 40,350 | 52,150[4] | 38,775 |
| Average days to complete | <65 days | 82 days | 100 days | 85 days | 71 days | 65 days |
| **Objections** | | | | | | |
| Number of objections received for all valuing years | | 16,515 | 8,559[5] | 11,133 | 6,660 | 6,885 |
| Number of objections received as a % of valuations issued | | 1.17% | 0.78% | 0.74% | 0.45% | 0.46% |
| % objections to land values completed within 90 days | 25% | 52% | 27% | 20% | 18% | 39% |
| % objections to land values completed within 120 days[6] | 60% | 67% | 42% | 33% | 43% | 65% |
| % objections to land values completed within 180 days[6] | 95% | 81% | 68% | 65% | 77% | 93% |
| Average number of days to complete objections | <90 days | 116 days | 157 days | 169 days | 140 days | 105 days |

**FIGURE 12** | Office of the Valuer General KPIs

FOOTNOTES:
1. New figure – preceding annual reports represented total valuations prepared for all valuation dates.
2. Does not include six LGAs which were subject to water separation values.
3. New figure – calculation amended.
4. Includes changed verified values.
5. Includes only objections received for 2005 valuing year.
6. New record.

# 3 LAND AND PROPERTY INFORMATION DIVISION REPORT

**PROVIDING LAND AND PROPERTY DATA WHICH UNDERPINS A VIBRANT AND ROBUST NSW PROPERTY MARKET**

## LAND AND PROPERTY INFORMATION DIVISION REPORT CONTENTS

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### KEY ACHIEVEMENTS

- ✓ Conducting an economic appraisal identifying and confirming efficiency savings of $50m achievable through implementation of NECS in NSW, for industry, landholders and government agencies.
- ✓ Over two million land titles issued since 1863 when the Torrens system began in NSW were converted to high quality colour images.
- ✓ Thirty three graduates and trainees were recruited with an additional six spatial scholarship holders employed.
- ✓ Introduced a streamlined electronic system for handling objections to land values.

Land and Property Information's (LPI) integrated framework connects the people of NSW to a comprehensive package of land and property services including land title registration, property information, valuation, surveying and mapping.

## AIMS AND OBJECTIVES FOR 2008/09

In 2008/09 LPI invested further in improving land information systems and enhancing and developing electronic service delivery capabilities. New projects funded for 2008/09 included the NSW Surface Model Improvement Project, utilising Light Detection and Ranging (LiDAR) technology to complement advances already achieved through the acquisition of an aerial digital camera to capture high quality digital imagery.

Ongoing projects included:

- development of a National Electronic Conveyancing System
- electronic plan lodgment project
- conversion of Crown parcels
- conservation and digitisation of historical plans, aerial photography and the old form Torrens title register
- upgrade of rural addresses
- development of echannel services
- government property interests system expansion
- Lands' spatial data infrastructure consolidation.

These activities represent the aims and objectives LPI has been progressively implementing over the last eight years, which concentrate on improving its business systems by:

- linking LPI's data sets, in particular spatial and textual data sets
- automating manual systems
- increasing the delivery of data via the web
- converting paper, microfilm and photographic data into digital formats
- improving data quality
- utilising the latest technologies as they become cost effective.

## PERFORMANCE HIGHLIGHTS

- A revamped security certificate of title format was launched 1 June 2009, featuring new and replacement security features to support the identification of an authentic certificates.
- Jewels in the Crown – A History of the Bridge Street Plan Room and Crown Plans 1788-2008 was published in November 2008.
- LPI hosted a forum in March 2009 attended by organisations sharing a mutual interest in mitigating property fraud. Attendees included representatives from major banks, law enforcement agencies, the Law Society of NSW, Registry of Births, Deaths and Marriages, Office of State Revenue, Australian Institute of Conveyancers and the Institution of Surveyors. It is expected that the forum will be held on an annual basis.
- A project commenced to update and redesign the Registrar General's directions website, an online manual of land title practice and procedures. Feedback from the website's users gathered in an online survey in October 2008 is being utilised in the site's redevelopment.

- The State Contracts Control Board gave LPI ongoing approval to undertake its own procurement activities for rating and taxing valuation services.
- Demand by agencies seeking valuation advice to assist with asset management and compliance with Treasury reporting requirements was high. Major asset valuation programs were carried out for portfolios held by Department of Primary Industries, NSW Ambulance Service, NSW Fire Brigades, Sydney Harbour Foreshore Authority, and Taronga Conservation Society (Taronga & Western Plains). Update advice was provided for a number of agencies including RailCorp, Department of Planning, Department of Community Services, NSW State Forests, and NSW Health.
- Revenue generated through the provision of commercial property valuation advice to state and local government agencies increased by about 50% to $5.5m in spite of the difficult economic conditions.
- An electronic system for processing objections to land value was introduced. System features include electronic quoting and procurement for objection briefing services, a pre-populated objection form for landowners, fast and secure delivery of objection documentation, electronic system for performance management of contractors, secure storage of electronic documentation and a centralised process for issuing objection decisions to landowners.

# KEY PROJECTS

## NECS Readiness Program

**NECS** – The National Electronic Conveyancing System (NECS) is a joint initiative of all state and territories to provide a single electronic way to register changes in ownership and interests, settle financial transactions and receive confirmation of dealing lodgment and registration.

LPI has been working with industry groups and other jurisdictions to develop and implement NECS. A single national electronic conveyancing system will allow consumers across Australia to benefit from one system to settle property transactions; reducing costs and increasing efficiency in the property market. NECS will provide an efficient online platform to:

- prepare and sign instruments
- settle property transactions
- lodge instruments with land registries
- meet associated duty and tax obligations.

On 3 July 2008, the Council of Australian Governments (COAG) endorsed the national system's formation and agreed to oversee NECS's implementation. In March 2009, COAG released the National Partnership Agreement to Deliver a Seamless National Economy and an accompanying implementation plan which provides a timetable for NECS's introduction by the end of 2011.

To develop and implement NECS, LPI is pursuing two concurrent streams of project activity.

1. Supporting the national work program by developing and contributing NSW requirements to the NECS requirements definition, NECS legal framework and the NECS data standard specifications.
2. Undertaking the NECS Readiness Program to prepare and implement business practices, operational systems, legislation and stakeholder communication in NSW for national electronic conveyancing, ready to service NECS transactions when the system goes live.

During 2008/09, LPI published draft NSW functional requirements addressing workspace population, business rules guiding compilation of instruments and cases, and assurance of lodgment acceptability for the certified and signed registry instruments in the workspace before settlement proceeds.

Work undertaken as part of the NECS Readiness Program during 2008/09 has included:

- conducting an economic appraisal identifying and confirming efficiency savings of $50m achievable through implementation of NECS in NSW, for industry, landholders and government agencies
- identifying and documenting the process model and workflow management requirements within LPI for efficient, equitable lodgment and registration processing of continuing paper and NECS transactions
- leading specification of the NECS data standard, including development and publication of a draft structured business vocabulary and single instrument schema, outlining the rule and data content required to populate and verify NECS transactions
- developing and publishing key reference documents for land registry products and services required by the NECS workspace, including:
  - a title search product suited to efficient use in NECS
  - document and instrument schemas suited to automated population
  - business rules to guide compilation and signing of compliant instruments and lodgment cases.

In 2009/10, LPI will complete:

- a substantive program of industry consultation to ensure that business practices and the supporting legal framework for NECS are designed to facilitate prompt and widespread adoption of NECS by lending and conveyancing industry participants in NSW
- detailed proposals for legislative reform to NSW property legislation, to enable and regulate implementation and use of NECS in NSW.

NECS Readiness Program activities are on schedule to provide for implementation of NECS in NSW by the date specified in the COAG timetable for national electronic conveyancing.

## ePlan Program

LPI has made significant progress in a three-year program that will deliver a new information management system capable of electronically processing digital land title plans in NSW. ePlan consists of a series of projects including implementation of:

1. a national data transfer standard
2. improvement of the existing electronic lodgment service
3. creation of digital plans and development of an electronic examination tool.

### 1. Implementation of a national data transfer standard

LPI continues to participate in the Intergovernmental Committee on Surveying and Mapping (ICSM) ePlan Working Group to develop and implement an Australasian standard for the transfer of digital cadastral and survey data in Land XML format.

The working group has developed a model to produce a generic LandXML export/import format for cadastral plan data that includes jurisdictional specific elements. The ePlan model has been endorsed by ICSM and a governance framework established to ensure the effective maintenance of the schemas. A survey software vendor engagement workshop was held in March to support the development of digital plans by surveyors. Major survey software developers in NSW have expressed interest in working further with LPI to ensure that the model can support the import/export functionality required by the industry.

### 2. Electronic examination environment

A pilot to create digital plans and process lodgments in the electronic examination environment is nearing completion and an electronic examination tool will be rolled out on limited release from July 2009. The examination tool comprises an extensive set of tests to validate the survey content of lodged plans and electronically compare the new plan with the surrounding cadastre. The digital plan creation process captures the lodged plan and all referenced plans to create a survey fabric to support the examination tests. The digital survey data will then be stored in a plan examination database for future use.

### 3. Electronic lodgment service in SIX

All online services for ePlan customers are now delivered through a new ePlan portal within the Spatial Information eXchange (SIX). The portal offers an online requisition facility

and an ecommerce gateway to pay and track bills online. Since the introduction of ePlan, over 10,000 plans have been lodged electronically and ePlan lodgments now represent 40% of total plan lodgments.

## Data Conversion and Cleansing Program

LPI's Data Conversion and Cleansing Program commenced in 2004. It comprises two major project streams.

- Conversion projects aimed at allocating remaining old system, manual Torrens title and Crown land parcels a unique and legal identifier within a single titling system to allow online access to every parcel of land in the state. Apart from the Crown land conversion project, these projects are virtually complete.
- Digitisation projects aimed at capturing historic land title related records.

### Digitisation projects

The Bridge Street Plan Room (BSPR) collection comprises an estimated one million records created and maintained by the NSW Surveyor General dating back to the commencement of European settlement. The collection includes original Crown plans, parish maps, charting maps, survey plans and survey field notebooks. Of an estimated 475,000 'small flat' Crown plans, 423,419 have been digitised since the project commencement in April 2007, with 253,079 digitised in 2008/9.

Digitisation of the old form Torrens register was completed during the year. Over two million historic land titles issued since 1863 when the Torrens system began in NSW have been converted to high quality colour images.

Digital scanning of LPI's aerial photography archive commenced in December 2007. An estimated 4,600 films will be digitised over the life of the project, with 344 films captured to date.

The next project to commence will involve digitisation of nearly thirty million 16mm microfilm records of real property dealings dating from the 1930s to 1994. Scanning of the records will commence in July/August 2009.

These projects enable LPI to meet its responsibilities under the *State Records Act 1998* in relation to the conservation and preservation of valuable and historical records. All original records have been classified as state archives and are being progressively transferred to the State Records Authority. Digitised Crown plans and old form Torrens register titles are now available online via the Lands website, SIX and LPI's network of authorised information brokers.

## Government Services Development Program (GSDP)

This program began in 2006 and is aimed at assisting other government agencies to improve the quality and accessibility of their land-related data and providing them with access to integrated 'source of truth' data sets maintained by LPI.

### Property Information Inquiry System (PIIS)/Central Register of Restrictions (CRR)

Extensive improvements to the operating platforms of PIIS and the CRR have been undertaken during the year. The PIIS service delivers property information about actual or potential government interests in land, and the CRR is the system in which a number of agencies record these interests. More responsive online delivery of information to agencies and clients is now available, and agencies can now submit updated information online.

### Integrated financial and ecommerce systems

The aim of this project was to provide a platform for unifying customer transactions for online services and enabling access around the clock. In 2008/09 the project delivered improvements to manual invoicing, online generation of statements and other financial information, and an enterprise shopping cart, checkout and payment module. In 2009/10 the next stage of the project will see the point of sale (POS) system integrated with the SAP system replacing the current stand-alone POS system.

### Collaboration with other agencies

In 2009 LPI entered into a strategic partnership with Office of State Revenue (OSR) and collaborated with the Department of Planning to develop a spatial view of planning data including local, regional and state environmental planning instruments.

In a joint initiative between Lands and the Local Government Managers' Association, LPI has entered into products and services agreements with 22 local councils. The agreements facilitate exchange of land and property data between these two levels of government.

## Common Spatial Information Initiative (CS2i)

The Common Spatial Information Initiative (CS2i) is the result of collaboration across NSW state government agencies and private industry to provide common ebusiness functions that will enable customers to access spatial and related information online. Currently NSW spatial information is held and maintained by many government agencies, local government, the private sector and academic institutions.

Through the implementation of a governance framework for the communication and integrated use of spatial data and services, CS2i will enable access to the government's spatial information to improve service delivery and begin the transition towards a convergence of related government services.

In accordance with a Cabinet decision, a NSW Spatial Council (NSWSC) was established to coordinate policy and the strategic direction of spatial information in NSW through the CS2i endorsed framework.

The NSWSC held three meetings in 2009 and has endorsed:

- development of a NSW government spatial inventory identifying key spatial information holdings, work programs and initiatives across government
- formation of spatial information working groups to support development of key programs and policy objectives
- adoption of eight NSW spatial strategic initiatives as projects to monitor and steward.

Strategic projects include the development of a NSW spatial imagery strategy and the NSW Addressing Reform Project.

## Lands Spatial Data Infrastructure Program (L-SDI)

The L-SDI Program is designed to significantly enhance the currency, comprehensiveness and accuracy of the state's foundation spatial datasets. Its aim is to enhance the capacity for spatial data discovery, acquisition, sharing, maintenance, storage, access and distribution. This will enable government and other spatial data users to utilise the state's key spatial datasets to their maximum advantage for the benefit of the NSW community. The L-SDI forms the primary building block of a common whole-of-government approach to spatial data set out in the CS2i.

The L-SDI Program addresses seven foundation layers.

1. Cadastral upgrade.
2. Topographic improvements.
3. Digital Acquisition System (DIAS).
4. Survey infrastructure.
5. Geocoded Urban and Rural Addressing System (GURAS).
6. Surface model improvements.
7. Imagery and mapping online.

### 1. Cadastral upgrade

LPI is working with state and local government agencies and utilities to upgrade the positional accuracy of the Digital Cadastral Database (DCDB). The Cadastral Upgrade Program is prioritised geographically according to common areas of interest, need and opportunities. Detailed agreements are tailored with each agency. To date cadastral upgrades have been completed in 23 local government areas, with a further eight upgrade projects currently under way.

### 2. Topographic improvements

The Digital Topographic Database (DTDB) is the primary source of topographic information for all levels of government, the general public and private organisations across NSW. In 2008/09, under a co-operative

Photo Paul Foley

Lockhart, Riverina, NSW.

agreement with Geoscience Australia all road, rail, irrigation, water storage and habitation content for central NSW was upgraded. Additional areas of the NSW Western Division's transportation, hydrography and habitation data were also integrated into the DTDB. Improvements to the state hydrology data were undertaken to support requirements of the national climate change agenda and water management needs.

**3. Digital Image Acquisition System (DIAS)**

LPI is capturing high quality aerial imagery across NSW in support of various government programs with its ADS40 digital camera. During 2008/09 imagery was captured in support of whole of government programs for Department of Environment and Climate Change, Sydney Catchment Authority, Emergency Services, Geoscience Australia and local government. In addition, special imagery projects were undertaken for emergency response purposes in relation to the king tide in January 2009 and the northern NSW coastal floods and storms in May 2009.

**4. Survey infrastructure**

LPI is rolling out a state-wide network of Global Navigation Satellite Systems (GNSS) Continuously Operating Reference Stations (CORS) to provide NSW with world's best practice survey infrastructure.

The new network, known as CORSnet-NSW, extends the GNSS data services already provided by LPI through SydNet and MetroNet, which currently operate 11 CORS. It will be supported by the existing physical survey control network, which consists of trigonometrical stations and permanent survey marks.

Over the next four years, 55 additional CORS will be established across NSW. At the national level, CORSnet-NSW will play an integral role in the federal Auscope project which aims to set up an Australia-wide CORS network for research and scientific purposes.

During 2008/09:

- the seven sites located around Sydney were upgraded with dual constellation GNSS receivers
- new CORS were established at Ballina, Coffs Harbour, Dubbo, Grafton, Port Macquarie, Taree, Ulladulla, Wyong and Wollongong
- new international grade CORS pillar monuments anchored to bedrock were constructed at West Wyalong and Port Kembla as part of a national program for earth monitoring, science and research
- new commercial CORS management software was procured to improve the reliability, accessibility and functionality of the expanding CORS data service.

**5. Geocoded Urban and Rural Addressing System (GURAS)**

LPI is responsible for maintaining an authoritative database of all urban and rural addresses for NSW. Known as GURAS, the database assigns a geographic coordinate to each address description in the database. During 2008/09, strategic improvements included:

- development of an environment to update and maintain cadastral, property and address data automatically so that a high level of currency is retained with address content
- a collaborative program with the Department of Housing to undertake field collection of data relating to Housing properties
- field collection of rural addresses within the Unincorporated Area using GPS techniques in collaboration with the RTA, Australia Post, Royal Flying Doctor Service, Western Lands, and several community interest groups. This will result in formalising road names and addresses in remote areas of NSW for the first time
- a joint LPI/Australia Post project to align all NSW postcode boundaries with suburb boundaries to eliminate addressing ambiguities. NSW is the first state to undertake and complete this alignment.

**6. Surface model improvements**

In July 2008 LPI acquired Light Detection and Ranging (LiDAR) technology that will allow the production of highly accurate Digital Elevation Models (DEMs). Following a period of testing and training in the new technology, LPI is now developing a collaborative framework aimed at increasing the quality of elevation data and derived products depicting NSW landform and seabed.

**7. Imagery and mapping online**

Building on the successful development of SIX, a cross-government shared service for accessing and viewing official NSW spatial information, LPI intends to e-enable SiX to improve quality, efficiency and speed of service delivery. Considerable work has been done with much of the ICT infrastructure and basic online services already in place.

### Vision 2013 Workforce Planning Program

Vision 2013 is the workforce planning process that provides LPI with the framework to meet current and future business and staffing needs. LPI continues to make a major investment in attracting, developing and retaining skilled staff and in building the capacity to capture and share the knowledge required to operate efficiently and effectively.

In addition to an ongoing graduate recruitment program designed to give graduates two to three years experience in a variety of work areas, LPI targets school leavers, tertiary graduates and post graduates. A dedicated two-year trainee program not only provides the opportunity for young people to gain valuable skills and knowledge but importantly each trainee has a tailored development plan which includes further tertiary training funded by LPI, a specific induction program as well as on the job coaching and mentoring.

Since 2003/04, around 120 graduate and trainee positions have been filled across LPI and in Lands corporate service areas. Throughout 2008/09 33 graduates and trainees have been recruited across many areas of LPI including Titling and Registry

Services and Valuation Services with an additional six spatial scholarship holders also recruited to Information Sourcing in Bathurst. LPI intends to continue the graduate and trainee program over the coming years to ensure the capacity to replace experienced staff as they retire.

## REPORT ON OPERATIONS

LPI operations are managed by four groups: Information Sourcing, Land and Property Products and Services, Titling and Registry Services and Valuation Services.

### Information Sourcing

Information Sourcing manages LPI operations related to maintaining spatial databases, geocoded rural and urban addressing (GURAS),

Photo North Sullivan; Tourism NSW

Kameruka, Bega Valley, NSW Far South Coast.

aerial imagery, survey infrastructure and geodesy, and customised mapping projects.

During the year:

- more than 1.5 million additions and modifications were made to address data in GURAS
- field capture assistance under the Rural Address Acceleration Program (RAAP) was provided to Wakool, Carrathool and Forbes councils and RAAP funding totalling $30,275 was distributed to Lake Macquarie, Albury and Walgett councils
- the capture of 50 centimetre ground sample resolution (gsd), multi spectral imagery focused on the eastern and central divisions of NSW in 2008/09. Imagery was also taken at 10cm and 20cm gsd over rural towns and special purpose project areas
- ortho rectification of digital imagery for geometric spatial accuracy was completed for 120,000 square kilometres of imagery
- survey control was established to support DCDB upgrade requirements in Tamworth, Tumut and Lachlan Valley local government areas
- regional survey teams carried out major GNSS control surveys in Gunnedah LGA to enhance future mining and mapping projects in the area and in Byron Bay to support land development. Other control surveys were conducted at Belford, Singleton, Nerong, Lakes Way, Yarramalong, Walcha and Yamba
- total station control surveys were carried out around Killarney Vale and Umina in the Central Coast, Lakes Way and Sovereign Hills in the Port Macquarie area, as well as Argenton, Teralba, Nerong, Wyee, Lambton and Kotara in the Newcastle area
- survey control to support the Digital Image Acquisition System (DIAS) saw 73 control points established for 90,000 square kilometres of 50cm resolution imagery. A further 21 map control points were established for 20cm and 8cm resolution imagery in the towns of Bourke, Brewarrina, Walgett, and in relation to the north coast floods
- extensive survey control and quality assurance test sites were established for LiDAR calibration at and around Bathurst Airport as well as LiDAR test sites around Bathurst, Crookwell, Blayney, Glenn Innes and Tenterfield
- geodetic survey field work was completed to determine the height and stability of the Port Kembla tide gauge to support sea level monitoring
- 250 customised mapping projects were completed.

## Land and Property Products and Services

Land and Property Products and Services (LPPS) manages LPI operations relating to titling and valuation data services, property information service delivery, graphic services and spatial data sales. During the year:

- there was a 9% reduction in demand for copies of LPI land information records. A total of 4.06 million requests were satisfied, 3.9 million (97%) of these online via LPI's network of authorised information brokers, LPI online and SIX
- a cyclic compliance review has been introduced to ensure LPI authorised information brokers and property sales clients are operating within the terms of agreements
- electronic delivery of registration notices for plans and dealings and of Hunter Water section 47 notices and service location plans commenced
- an online 'reverse street address' search was introduced (see Graph 1 - Demand for NSW land information documents, page 31)
- kiosk terminals were installed in LPI's Sydney office allowing customers to view digitised charting maps and old form Torrens register folios
- four new or enhanced user search guides were published on the Lands website:
  - Searching the records of the Registrar General
  - The parish map and Crown plan in family history and genealogical research
  - Torrens title searching
  - History of the Registrar General's maps and plans.
- LPI successfully tendered for the production of blank certificate of title forms for the Victorian Department of Environment and Sustainability
- the provision of print related services for other government agencies continued with NSW state emergency services being a major customer.

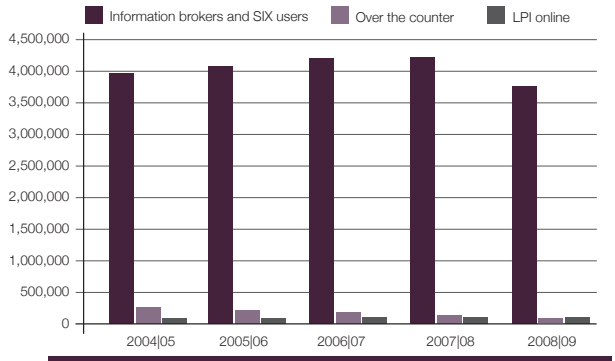
## Titling and Registry Services

Titling and Registry Services manages LPI operations relating to land title plan and dealing registration, title creation and associated customer services.

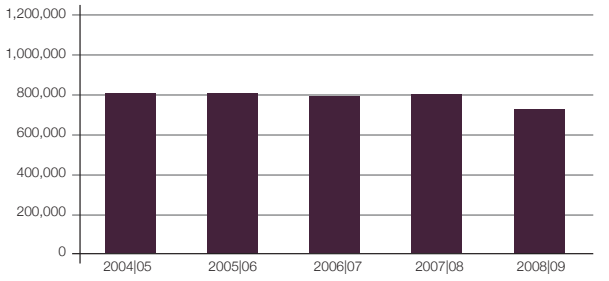
- There was an 8.5% decline in the lodgment of dealings recording property transactions: 730,247 dealings lodged, 68,730 fewer than in 2007/08. However lodgments increased markedly in May and June in line with market activity following first home buyer incentives (see Graph 2 - Number of land transactions lodged, page 31).
- 8,529 deposited plans and 1,665 strata plans were registered in 2008/09.
- Compared to 2007/08, deposited plan lodgments decreased by 2.6% and strata plan lodgments decreased by 8.7%.
- 38% of deposited plans and 30% of strata plans were lodged using the ePlan facility.
- 4% of deposited plans and 7% of strata plans were pre-examined.
- 36,896 new titles were created; 20,144 from deposited plans and 16,752 from strata plans, a decrease of 10.6% overall on 2007/08 results. These results are indicative of the economic downturn over the past 12 months (see Graph 3 - Number of plans registered, page 31).
- Technical liaison officers attended 32 seminars during 2008/09 and presented on a wide range of topics to regional surveying groups as part of the Surveyor Liaison Program.

## Valuation Services

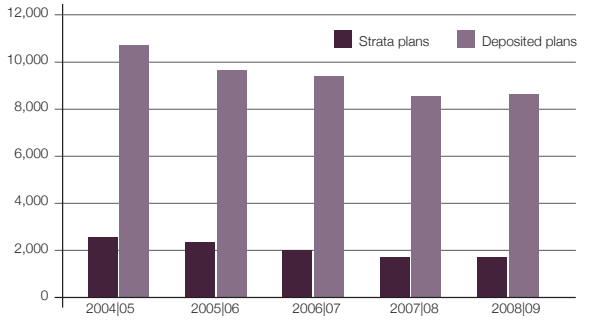
Valuation Services manages LPI operations related to land valuation under a service level agreement with the Valuer General. Activities undertaken comprise contracts and business administration, land data



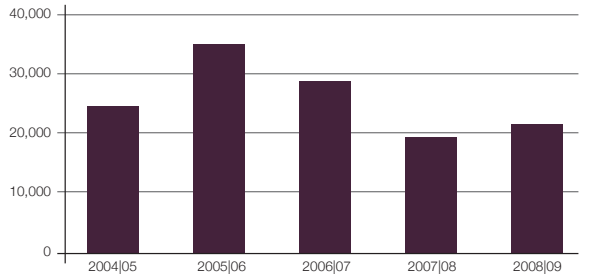

**Graph 1** Demand for NSW land information documents



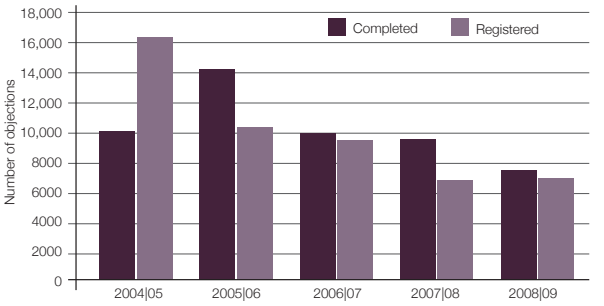

**Graph 2** Number of land transactions lodged




**Graph 3** Number of plans registered




**Graph 4** Valuation Services call centre enquiries



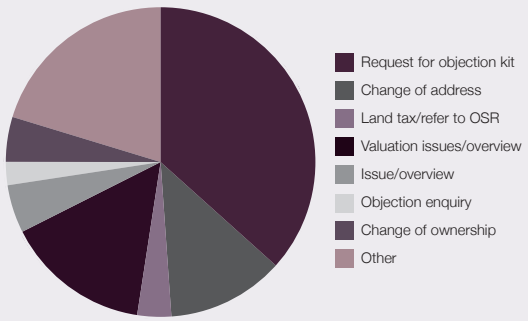

**Graph 5** Valuation objections completed and registered

management, objections and appeals, compensation and special valuations, and valuation audit.

During 2008/09:

- a number of consultative workshops were held with valuation contractors to foster a collaborative working relationship. An improved performance management system for rating and taxing valuation contractors was developed and trialled with a view to improving risk management. This system will be fully implemented in 2009/10
- a large benchmark valuation project was carried out for Housing NSW, requiring the assessment of 3,100 properties, with multiple notional configurations to support the cost-effective broad application of valuation data. That data is central to rental assessments and property management throughout the extensive Housing NSW residential portfolio
- significant progress was made on the Crown Lands Valuation Project, which remains on track for completion during 2010
- call centre enquiries increased by 20% (see Graph 4 - Valuation Services call centre enquiries see page 31, and Pie chart 1 - Valuation Services call centre by type, see page 31), with 87% resolved at first contact
- the proportion of objections lodged online increased to 42%, up from 26% in 2007/08. (see Graph 5 - Valuation objections completed and registered, see page 31)
- a valuation analysis package that supports more comprehensive data analysis of valuations was introduced
- a valuation quality assurance committee was established to oversee the quality assurance of the valuation process
- a products and services specification for the provision of valuation services to local government was negotiated as part of LPI's framework Memorandum of Understanding with local government in consultation with representatives of the Local Government Managers' Association and the NSW Revenue Professionals Inc. It describes the services provided, sets performance standards for their completion and identifies areas for future collaboration between councils and LPI to improve service outcomes.

**Pie chart 1**
**Valuation Services call centre enquiries by type**



## FUTURE FOCUS

LPI developed a strategic plan in 2008/09 which defines five key strategic goals for the next five years.

- Our customers' needs and requirements will be our primary focus in designing our products, services and delivery channels.
- We will be the central point of access for a full range of land information, data sets, products and services including those we will source through other government or private sector organisations or the community.
- Our system of sourcing, processing and storing data will be world's best practice to ensure seamless and cost effective management of and access to NSW land and property information.
- Our information will be transmitted electronically and our transactions with our customers, partners and suppliers will increasingly be conducted through electronic channels.
- We will set measurable targets to be achieved by 2013 based on customer priorities and world's best practice.

In 2009/10 LPI will continue to invest in key development programs including:

- National Electronic Conveyancing System
- electronic lodgment of plans
- Crown land conversion
- conservation and digitisation of historical plans and aerial photography
- digitisation of titling records
- government property holding information systems
- spatial data infrastructure including geographical coding of addresses, topographical and cadastral data systems, and survey and spatial data services.

### Land and Property Information strategic objectives

| STRATEGIC OBJECTIVE | PERFORMANCE OUTCOMES 2008/09 |
|---|---|
| **1. CUSTOMERS** | **Our customers' needs and requirements will be our primary focus in designing our products, services and delivery channels.** |
| Continue to develop and expand our liaison groups and consultation channels. | Continued quarterly meetings with key industry representative groups.<br>Established direct contact with regional law society groups.<br>Established regular meetings with value added resellers of our property sales data.<br>Entered into a strategic partnership with the Office of State Revenue.<br>Held consultative workshops with valuation contractors across the state.<br>Actively participated in spatial data forums including ANZLIC, ICSM, State Mapping Advisory Council, DIMWG. |
| Involve our customers more in designing and developing our products and services. | Actively engaged with the Institution of Surveyors and Association of Consulting Surveyors in developing and promoting ePlan.<br>Held a survey software vendor engagement workshop to progress development of new technology to be applied in ePlan.<br>Encouraged feedback on NECS proposals via a dedicated NECS NSW website and key reference documents for products and services under NECS.<br>Carried out online customer surveys of users of the 'Registrar General's Directions' procedures manual and of readers of the ebulletin 'LPI News and Views'. |
| Improve our complaints handling processes. | Designed an integrated complaints handling system for implementation across LPI in 2009/10 to replace multiple local systems. |

## Land and Property Information strategic objectives

| STRATEGIC OBJECTIVE | PERFORMANCE OUTCOMES 2008/09 |
|---|---|
| **2. COMPREHENSIVE** | **We will be the central point of access for a full range of land information, data sets, products and services including those we will source through other government or private sector organisations or the community.** |
| Improve existing core data sets. | Currently working with eight local government agencies and utilities to upgrade the positional accuracy of the digital cadastral database, building on work already completed with 23 other LGAs.<br>Continued data cleansing of the register of land values to improve property data identified as missing, incomplete, invalid or unstructured in terms of property area, property description, property dimensions and addresses. |
| Develop new products and services. | New electronic system for processing objections to land valuations introduced.<br>ecommerce gateway introduced for ePlan users allowing online payment and tracking of bills.<br>Commenced rollout of state wide network of GNSS continuously operating reference stations, CORSnet-NSW. |
| Provide access to land and property information held by other organisations. | Implemented SIX channel for the Department of Planning and collaborated with NSW Maritime and DECC to develop three new SIX channels for public access to be released in 2009/10.<br>Commenced electronic supply of Hunter Water section 47 notices and service location diagrams. |
| **3. INTEGRATED** | **Our customers' needs and requirements will be our primary focus in designing our products, services and delivery channels.** |
| Review our data models to improve the transfer and use of data. | Developed an environment to automatically update and maintain cadastral, property and address data in GURAS. |
| Review our data to ensure it is accessible and useful to those who need it. | Continued remodelling spatial operations resources, structures and capabilities to address future directions in technology and customer requirements identified in a review commenced in late 2007/08.<br>Improved the operating platform of the central register of restrictions to enable participating agencies to submit updated property information online. |
| Ensure our data is kept current to meet the needs of our customers. | All road, rail, irrigation, water storage and habitation content for central NSW was upgraded in the digital topographic database.<br>New digital aerial photography was captured covering 140,500 sq km.<br>Registered more than 10,000 new subdivision plans and 730,000 new land transactions.<br>Updated 2.4 million land valuations for supply to Office of State Revenue and issued 39,000 supplementary land valuations for new or altered properties. |
| **4. DIGITAL** | **Our information will be transmitted electronically and our transactions with our customers, partners and suppliers will increasingly be conducted through electronic channels.** |
| Invest in new digital products. | Acquired Light Detection and Ranging (LiDAR) technology in July 2008 to allow production of highly accurate digital elevation models.<br>Purchased digital scanner for conversion of microfilm records. |
| Convert manual processes to digital. | Continued development of an electronic examination environment for processing plans lodged for registration to replace current manual processes.<br>Continued work on readying NSW for the National Electronic Conveyancing System which will replace currently paper based property settlement and lodgment processes. |
| Convert paper records into digital form. | Substantially completed conversion of residual paper based old system and Torrens titles to electronic titles within the Integrated Titling System.<br>Digitised 250,000 plans from the Bridge Street Plan Room collection.<br>Completed digital conversion of the old form Torrens register. |

Photo Sharyn Cairns

# 4 CROWN LANDS DIVISION REPORT

**ENSURING RESPONSIBLE AND SUSTAINABLE MANAGEMENT OF CROWN LAND FOR THE PEOPLE OF NSW**

## CROWN LAND DIVISION REPORT CONTENTS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## KEY ACHIEVEMENTS

- ✓ Three new national surfing reserves were created at Cronulla, Merewether and Killalea.
- ✓ A $22m conversion initiative has commenced that will upgrade the quality, reliability and availability of Crown land information.
- ✓ Approval was received for the first stage of the Silverton Wind Farm, the biggest wind farm in Australia creating more than 800 jobs.
- ✓ Memorandums of Understanding have been agreed on key planning projects in Gosford and Wagga Wagga.
- ✓ $6.8m was received from the sale of 1,193 Crown road closures.

Crown Lands division (CLD) provides a service that is multi-dimensional, optomising environmental, economic and social outcomes on Crown land for the benefit of the people of NSW.

## AIMS AND OBJECTIVES FOR 2008/09

Crown Lands division's aims and objectives are:

- contributing to growing prosperity by:
  - developing commercial purposes where appropriate
  - improving economic performance
  - maintaining Crown land infrastructure
- environment for living to:
  - achieve better environmental outcomes
  - improve facilities, access and use
- build the organisation and its networks by:
  - improving collaboration with key stakeholders and partners
  - improving business through a project management discipline
  - building technical capabilities
  - establishing a commercial business model
  - reviewing business process.

## KEY PROJECTS

**STRATEGIC GOAL 1**

Responsible Crown land management to optimise environmental and socio-economic benefit to the state.

### Silverton Wind Farm

The NSW Government has approved the first stage of the biggest wind farm in Australia creating more than 800 construction and operational jobs in Silverton.

The first stage will deliver 282 wind turbines which will generate enough green energy to power around 200,000 households.

This development is a successful collaboration exercise between the Crown, the pastoralists and the developer.

This project has established a new precedent for Australian property law in that it has put in place the concept of a 'parallel lease' over Crown land.

### HMAS Adelaide Project

The Federal Government has gifted the ex-HMAS Adelaide to create an artificial reef and dive site on the Central Coast of NSW. Considerable progress has been made on the project with a final resting place for the ship selected, environmental assessments, a plan of management and the gazettal of the HMAS Adelaide Crown reserve underway. A contract has been awarded for the preparation and scuttling of the ship. The ship will be sunk around April 2010 depending on weather conditions. The ex-HMAS Adelaide, will provide a major tourism boost to the Central Coast region.

### Hunter Travelling Stock Reserve Assessment Project

The travelling stock reserve/route (TSR) system in NSW comprises approximately 6,500 separate reserves totalling 740,000ha*.

Lands has undertaken a project to assess the values and management of the TSR reserve network in the Hunter Valley. The project received funding from the NSW Catchment Action Program and was developed in partnership with the Hunter Central Rivers Catchment Management Authority. The study identified that the majority of TSRs have significant environmental values, particularly in providing habitat for threatened species and many are in over cleared landscapes and adjacent to important waterways. TSRs also support a wide range of other values, such as recreational and community use and some contain significant cultural heritage. As a result of this pilot study Lands can now apply a consistent and robust assessment methodology and decision making process to TSRs across the state in preparation for the large scale hand back of reserves currently being considered by the Livestock Health and Pest Authority.

* Figures exclude Western Division.

## Native vegetation conservation and rehabilitation on Crown land

CLD manages a number of sites where a range of land management programs including rabbit warren destruction, track rationalisations, rubbish removal, weeds and feral animal controls were implemented.

A property vegetation and incentive grant was approved by the lower Murray-Darling Catchment Authority for an area of 490ha to implement a conservation and rehabilitation project to enhance the conditions of native vegetation communities through the removal of stock and feral animals by controlling exotic weeds.

**STRATEGIC GOAL 2**

Development of master plans for the future direction and development of Crown land maritime precincts.

## Gosford Challenge

The Gosford Challenge aims to grow Gosford as a world-class waterfront regional city. Gosford City Council and Lands are working cooperatively under a Memorandum of Understanding (MoU) on planning the development of the Gosford City Centre.

## Riverside Wagga Wagga

Lands and Wagga Wagga City Council entered into a MoU for an area of Crown land along the banks of the Murrumbidgee River at Wagga Wagga known as the Wagga Wagga Riverside Precinct. Community and stakeholder consultation was undertaken to gauge the community's ideas for the precinct.

This is another outstanding example of state and local government working together to achieve a common goal, building opportunities and encouraging economic growth and tourism to create better recreational facilities for local communities.

**STRATEGIC GOAL 3**

Streamline processes and reduce costs of administration of Crown land.

## Conversion, Valuation and Asset Management Project

The Crown Land Conversion, Valuation and Asset Management Program is a major initiative to upgrade the quality, reliability, availability and strategic value of Crown land information. The program of works has three related projects; the Crown Land Conversion Project (CLCP), the Valuation Project and the Crown Reserve Asset Data Management Project (CRADM). The projects will cost $22m and will be completed by June 2010.

The CLCP objective is to identify record and value all of the state's Crown land assets. The improved integrity of our spatial and textual data will provide the foundation to streamline and improve performance. Each parcel of Crown land will be re-valued annually at minimum cost. The project is scheduled to be completed in December 2010.

CRADM has created the Crown Reserve Reporting System (CRRS) to improve the information on reserve trust. CRRS is an online reporting system to assist with annual report submissions and to deliver long-term benefits for the care, control and management of Crown reserves. This project will provide significant benefits to local government.

## Sustainable burial practices

The Lands Cemetery Policy Group was established in 2008 to work with cemetery management, other government agencies and the public in implementing sustainable cemetery management policies.

The *Rookwood Necropolis Repeal Bill 2009* passed in Parliament brings all aspects of Rookwood under the provisions of the *Crown Lands Act 1989*. The newly established Rookwood Necropolis Trust will focus on managing Rookwood as one integrated dedicated reserve and undertake a new plan of management in conjunction with the existing denominational trusts.

# PERFORMANCE HIGHLIGHTS

## Port Stephens foreshore master planning

Lands and Port Stephens Council jointly developed a foreshore masterplan to guide the future use and development of approximately 800km of Crown and community waterfront land along the southern Port Stephens foreshore.

This area consists of a number of unique precincts that have current and future potential to provide a range of recreational and tourism activities and contributing to the social and economic development of the local area.

The master plan seeks to strike a balance between environmental, landscape, cultural and recreation values of the waterfront and for sustainable commercial activity that can assist with economic development.

## Boyds Bay Marina

A preferred proponent for the development of a world-class marina and recreational boating facility at Boyds Bay, Tweed Heads has been selected.

This project will cater for growth in the recreational boating industry, improving boating and mooring facilities and providing development that is environmentally sustainable.

The proposed development of the marina will consist of a 170 berth marina.

## Surfing reserves

Three new national surfing reserves were created this year.

- Cronulla Beaches National Surfing Reserve covers 2,370ha of land and water stretching nine kilometres of spectacular coastline. CLD worked in partnership with the National Cronulla Beaches National Surfing Reserves Committee, Sutherland Shire Council, the local steering committee and the community to create this reserve.
- Newcastle's iconic Merewether Beach surfing reserve stretches from Dixon Park to Burwood Beach some two kilometres of spectacular coastline.
- Killalea National Surfing Reserve covers 'the farm' and 'Mystics' beaches adjacent to Killalea State Park. The reserve covers pristine coastal areas with some of the best beaches on the south coast.

## Plans of management adopted

Plans of Management (PoM) guide the future use and management of Crown reserves and the following were adopted after public exhibition and consultation.

- Coffs Harbour Jetty Foreshores.
- Diggers Headland Reserve.
- Merewether Beach Reserves.
- Tabulam Racecourse and Riverside Reserve.
- Wellington Caves Reserve.
- The Hillston Common.
- Oxford Fall Regional Crown Reserve.

# REPORT ON OPERATIONS

## Minor Ports Program

The Minor Ports Program provides and maintains port infrastructure as well as safe, secure port access to 25 fishing ports along the NSW coast.

Projects under this program include road works and port services to improve operations, public access works to promote visitation to foreshore areas, infrastructure such as unloading wharves and mooring jetties, breakwater repairs and maintenance dredging.

Highlights of projects undertaken during 2008/09 includes repairs to Eden Mooring Jetty ($560,000), Wollongong slipways repairs ($160,000), Coffs Harbour slipways repairs ($140,000) and dredging of the boat harbour at Coffs Harbour ($50,000).

## River Entrances Program

The River Entrances Program maintains breakwaters and half tide training walls at 21 river entrances along the NSW coastline and minimises public risk liability at these breakwaters. With a total estimated value of $1 billion, these structures play a pivotal role in the safe navigation of marine vessels, including commercial fishing fleets and recreational boats.

CLD also manages eight hard rock quarries, which have been used for the production of rock armour for breakwaters and training walls.

Works funded under this program include maintenance of breakwaters and river training walls, dredging of river entrance bars and improved access to breakwaters for community use.

Projects completed in 2008/09 include maintenance dredging at Port Macquarie ($270,000) and Tweed River ($180,000) along with repairs to breakwaters at Yamba ($40,000) and Kingscliff ($25,000).

## Waterways Program

The Waterways Program aims to ensure sustainable use of waterways and foreshores which are Crown land and to improve public access for recreation and amenity for public use.

Works under this program include waterway planning, recreational boating infrastructure studies, launching ramps, wharves and associated facilities such as car parking, landscaping and lighting. The program also caters for maintenance dredging and assistance in the reduction of waterway pollution by providing vessel sewage pump-out facilities.

Enhanced funding of $1m was approved for the project in 2008/09. The funding is to improve navigation for recreational boating. Following a call for expression of interest a number of councils have been selected to undertake projects which will be carried out in 2009/10.

Kiama, Illawarra, NSW South Coast.

## Tweed River Entrance Sand Bypassing Project

Lands manages the Tweed River Entrance Sand Bypassing Project, which is a joint initiative of the NSW and Queensland governments.

The objectives of the project are to ensure the entrance to the Tweed River remains navigable and the southern Gold Coast beaches are nourished with a regular supply of sand.

Sand bypassing is undertaken using a combination of a fixed pumping jetty south of the Tweed River, together with occasional dredging of the entrance using a floating dredge.

Sand bypassing operations reduce the sand fed into the river entrance area and have maintained a clear navigation channel at the entrance since the start of operations in 2001.

During 2008/09 a total of about 618,000 cubic metres of sand was transported. The total NSW contribution to the project during the year was $5.9m.

## Weed and Pest Funding Program

As part of sustainable management of Crown land, the Department provided funds for weed and pest control programs on Crown land.

A total of $625,000 was allocated for weed and pest control programs this financial year. Of this total, $435,000 was allocated for weed control and $190,000 for pest control. A further $120,000 was allocated for minor weed and pest/feral programs as part of a 'good neighbour' approach to land management.

## Crown land bushfire management

Lands has a statutory responsibility under the *Rural Fires Act 1997* for bushfire protection on land under its control. Lands is responsible for organising mechanical hazard and fire trail works in Crown land. This year's works program has been successfully completed.

Funding for the bushfire hazard reduction and fire trails works carried out in 2008/09 included:

- $500,000 - Crown Lands division
- $964,000 - funded from Fire Mitigation Works Fund administered by the Bush Fire Coordinating Committee
- $22,000 - funded from the Commonwealth Bushfire Mitigation Program 2007/08.

A fire protection works program was completed at Cudgegong River Park which was partially funded by the Commonwealth Natural Disaster Mitigation Program.

An increase in bushfire complaints followed the Victorian bushfires. The majority of

Photo Sydney Harbour Foreshore Authority
Matthew Vasilescu

Sydney, NSW.

complaints have been addressed, and the outstanding will be addressed prior to the bushfire season.

The Department is represented on the Bushfire Coordinating Committee (and its two outstanding committees) and on most local bushfire management committees. The Department is working with a number of committees to develop new bushfire risk management plans.

## Crown Land Strategic Development and Marketing Program

The Crown Lands Strategic Development and Marketing Program:

- manages the land development working account that is responsible for the development and sale of Crown land
- manages the coordination of Crown authorisation in relation to the transaction of lands of the monarch
- represents the Department on land allocation panels in Treasury
- manages the implementation of procedural reforms to optimise resources and outcomes in the commercial disposal and allocations of Crown land.

The program's target revenue of $13m has been achieved.

A flexible five-year sales program for CLD designed to meet annual revenue targets has also been prepared.

## Perpetual lease conversions

The success of this project is demonstrated by the environmental protection of 99,893ha of land that has been converted from Crown land to freehold.

## Closing of disposal of Crown roads

The closures and sales of unnecessary Crown roads is a project supported by the Minister and Treasury and managed by CLD.

A fundamental review of processing applications has been undertaken with a view to introducing new processing procedures in 2009/10.

In 2008/09 1,193 closure applications were completed and 871 applications for road sales. Income received from the sales was $6.896m.

It is expected with enhancement funding and improved and more efficient procedures the outputs will increase substantially in the next financial year.

## FUTURE FOCUS

Based on assessment and evaluation of the NSW Government's State Plan, Lands' reform agenda, corporate plan and results and services plan, Crown Lands division's strategic objectives for 2009/10 are:

**create opportunities for economic growth by:**

- growing existing CLD business
- developing Crown land, where appropriate, for commercial purposes by the private sector for public benefit
- implementing an equitable cost recovery fee structure
- creating efficiencies through development of function based transaction centres.

**delivering better services by:**

- maintaining and investing in Crown land infrastructure
- improving natural and man made assets on Crown land
- providing better access to, and use of Crown lands for broader community benefit
- restructuring CLD to provide a greater 'on the ground' public outcome.

**building the organisation and its networks by:**

- expanding collaboration with key stakeholders and partners
- delivering business objectives through a project management discipline
- building technical capacity to deliver business objectives
- leveraging improved data quality and technological advancement to provide faster response
- reworking administration processes to provide greater efficiencies.

## Crown Lands strategic objectives

| STRATEGIC INITIATIVE | KEY TARGET | PERFORMANCE OUTCOME | STATUS |
|---|---|---|---|
| **STRATEGIC OBJECTIVE 1: CREATE OPPORTUNITY FOR ECONOMIC GROWTH** | | | |
| 1.1 Crown land be developed for commercial purposes by the private sector for public benefit. | Develop Crown land of prime commercial significance for optimal return on investment in the economic and social interests of the state. | Crown land of prime significance identified in each region. | Crown land has been identified by each region. The target has been met. |
| | | State-wide strategy for developing such lands prepared and adopted by BOM. | Actioned at regional level. |
| | | Establish annual commercial agreements for projects identified in accordance with state-wide strategy by 30/06/11. | Actioned at regional level. |
| 1.2 Improve economic performance. | Convert all eligible perpetual leases to freehold. | 100% of all eligible perpetual leases (7,454) assessed and dealt with under the NSW Government's offer to convert to freehold, where applications have been received by 31/12/08. Due date 30/6/10. | 5,762 perpetual leases have been converted to freehold. Approximately 700 of these have covenants registered on title protecting existing environmental values. |
| | | 100% of all eligible Western Lands leases held for residence (1,326) dealt with under the NSW Government's offer to convert to freehold by 30/06/10. | 81% of the target has been achieved. 1,816 applications have been completed out of an eligible 2,250 leases. |
| | Close and sell unnecessary Crown roads. | Complete 400 applications to close and sell unnecessary Crown roads by 30/06/11. | Income target of $7m achieved in 2008/09. Processes being redeveloped to achieve targets of Treasury enhancement funding. |
| | Improve royalty returns from extractive industries on Crown land from $3.2m pa to $5m. | Strategy to improve royalty returns from extractive industries prepared and adopted. | Achieved. |
| | | Royalties from extractive industries equal to or greater than $5m pa. | Expectations not met due to the global financial crisis. |
| | Improve financial return into the Crown reserves system. | Reinvestment of Crown reserves income increased by $0.5m pa. | |
| **STRATEGIC OBJECTIVE 2: DELIVER BETTER SERVICES** | | | |
| 2.1 Maintain and invest in Crown land infrastructure. | Prepare a port redevelopment strategy and incorporate into MPREW (Minot Ports, River Entrances and Waterways) programs and port management arrangements. | Port redevelopment strategy developed and adopted. | Five port redevelopment strategies have been developed and adopted. |
| | | Strategy incorporated into commercial development projects where required. | Strategies for five commercial development programs have been adopted. |
| | | MPREW program delivered full aligned with port redevelopment initiatives completed annually on 31 July. | Completed. |
| | Fulfil objectives of the Inter State Deed of Agreement between NSW and Qld Governments to deliver Tweed River Entrance Sand Bypassing Project. | Navigation channel remains accessible throughout 2007/08 by 30/06/09. | Completed. |
| | | Quantities of sand transferred annually within the target range established for each 'contract year' through the working group process by 30/06/10. | Completed. |
| 2.2 Achieve better environmental outcomes for natural resources on Crown lands | Apply land management covenants on titles of former perpetual leases prior to freehold sale to alternate Crown tenure. | Environmental values of 5,000 holdings assesses by 31/12/11. | Assessment for environmental values completed on approximately 1,950 eligible holdings by 03/08/09. |
| | | Enhance environmental management of 3,500 holdings assessed as having high conservation values through covenants in perpetuity by 31/12/10. | Land management covenants registered on title on approximately 700 perpetual leases converted to freehold by 03/08/09. |

| STRATEGIC INITIATIVE | KEY TARGET | PERFORMANCE OUTCOME | STATUS |
|---|---|---|---|
| Cont. 2.2 Achieve better environmental outcomes for natural resources on Crown land. | Prepare and implement asset protection zones (APZ) plans for all towns, villages and suburbs with a substantial perimeter of bushfire prone Crown land. | Relevant urban areas identified and APZ plans prepared. | All regions have completed this target, except Sydney. Due to staff turnover and recruitment issues Sydney region has not achieved this target. With recent recruitment this target should be achieved in 2009/10. |
| | | 70% of APZ plans implemented by 30/12/08. | In excess of 90% of (completed) APZ plans have been implemented. Funding has been sort for remainder and it is anticipated works to be completed 2009/10 financial year. |
| | Establish and maintain an operational network of fire trails on Crown land. | All strategic fire trails on lands managed by CLD inspected. | The majority of fire trails managed by CLD are now annually inspected. |
| | | Maps of fire trails updated and submitted to the local bushfire Management Committee annually by 30/08/08. | Maps have been submitted and the majority of fire trails managed by CLA are now annually inspected. |
| 2.3 Better access to and use of Crown lands for broader community benefit. | Develop recreational trails and tracks on Crown land. | Business plan for mid north coast 'coastal walkway' completed. | Deferred until environmental issues resolved. |
| | | Plans for two canoe trails to be completed and implemented. | Completed. |
| | | Plans for two horse trails completed and implemented. | Deferred due to other priorities. |

## STRATEGIC OBJECTIVE 3: **BUILD THE ORGANISATION AND ITS NETWORK**

| | | | |
|---|---|---|---|
| 3.1 Establish and maintain collaboration with key stakeholders and partners. | Develop effective community and stakeholders relations in the use of Crown lands. | 12 Local governments formally briefed of changes in modus operandi of CLD. | Completed. |
| | | Reserve trust boards induction program prepared. | Draft induction program prepared. |
| | | Induction program implemented for all trust boards by 31/12/08. | Waiting finalisation of induction package. |
| | | Develop and adoption of communication strategy for trust recruitment. | Completed. |
| | | Implementation of communication strategy for trust recruitment. | Package completed and being progressively delivered. |
| | | Develop and implement collaborative programs developed and implemented with two CMAs. | Completed. |
| 3.2 Develop staff capacity to meet the needs of the organisation. | Develop and implement specialised training program. | Training action plan prepared for:<br>• project management<br>• middle management<br>• public land administration<br>• environmental management | Certificate III is being offered to CLD staff.<br>Two leadership workshops have been developed and presented to all staff to team leaders and above.<br>Further training needs will be identified under the restructure. |
| | Prepare and implement a policy development, storage and retrieval system. | Policy and direction storage and retrieval mechanism developed and implemented. | Completed |
| | | Policy development timetable program adopted by BOM and implemented. | Completed |
| | Ensure health and welfare of staff are properly considered and addresses. | Action plans developed for all nominated OHS committees. | OHS committees formed. |

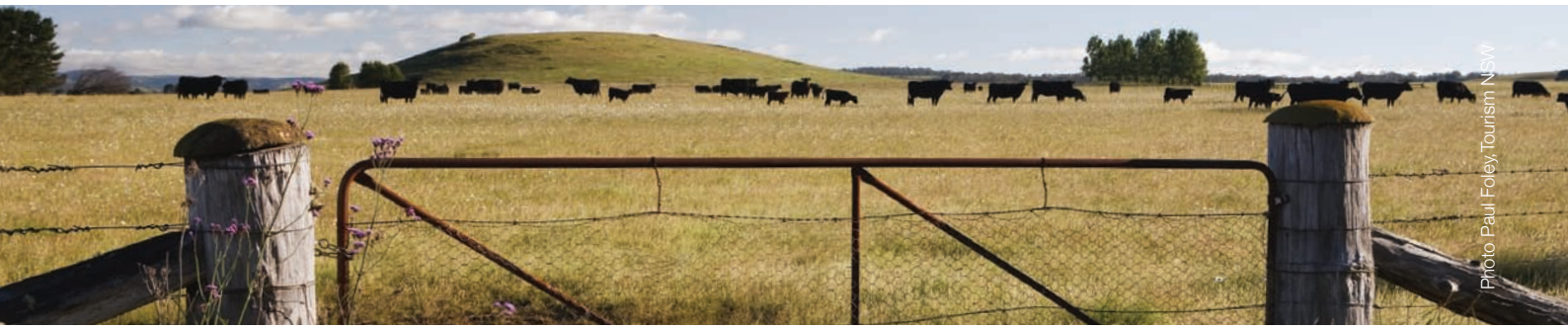


Photo Paul Foley,Tourism NSW

# 5 SOIL CONSERVATION SERVICE DIVISION REPORT

**EXPERIENCED PEOPLE PROTECTING YOUR RESOURCES**

## KEY ACHIEVEMENTS

✓ Consult income at $14.5m exceeded our business plan target income of $13.8m by 5%.

✓ To progress development of the NSW Soils Strategy three communication workshops were undertaken in June 2009 with targeted bodies, groups and individuals seeking views on the NSW Soils Framework.

## AIMS AND OBJECTIVES FOR 2008/09

- Working with NSW natural resource agencies, lead and co-ordinate the development of the NSW Soils Strategy following consultation with targeted groups and individuals.
- Provision of a range of practical environmental services to work with agencies in the implementation of the NSW Government's State Plan, in particular Environment for Living priorities:
  - E4: Better outcomes for native vegetation, biodiversity, land, rivers and coastal waterways
  - E2: A reliable electricity supply with increased use of renewable energy (working with power utilities)
  - E8: More people using parks, sporting and recreation facilities, and participating in the arts and cultural activity (Great North Walk and working with local government).
- To develop a broader commercial recognition of the SCS through contract and partnering agreements with government agencies.

The Soil Conservation Service division (SCS) is a soil conservation and environmental consulting business within Lands specialising in environmental protection, rehabilitation and land management services to both rural and urban clients.

- Develop strong working relationships with catchment management authorities (CMAs) to assist in their catchment plans, particularly in the area of degraded land management and rehabilitation.
- Work closely with Crown Lands division in the program areas of fire trail maintenance, bushfire hazard reduction, minor ports and minor dams project management.
- Through the business planning process demonstrate to Treasury the viability and need of an ongoing plant replacement program. Decrease operational costs and increase revenues to improve financial viability and demonstrate SCS's commitment to stated business plan financial targets.
- Monitor customer satisfaction and continue ongoing review of SCS's quality management system to ISO9001:2000. Increase the number of external accredited offices.
- Develop an integrated management system adding OHS (AS4801:2001) and Environmental Management (AS/NZL ISO14001:2004) to the current system and seek accreditation.
- In recognition of SCS's age profile, identify and fill key staff positions ensuring mentoring to retain workforce knowledge. Recruit additional Consult staff to meet an increasing work demand.

## PERFORMANCE HIGHLIGHTS

- In April 2009, the Cabinet Budget Committee signed off on the SCS business plan as submitted to Treasury. This was a significant achievement for the division which has been negotiating with Treasury for many years over future operations. Approval provides a clear mandate for the SCS to now progress a number of business plan objectives to improve the division's financial performance.
- With completion of the NSW soils framework 'Looking Forward, Acting Now' report, following sign off by the NSW Natural Resources Cluster Group, the NSW State Plan was amended to acknowledge the report and set a timeframe of 30 June 2009 for the development of a NSW soil strategy. A public consultation process was undertaken and a draft strategy document prepared for further review.
- Field days at Mudgee, Orange and Agquip (Gunnedah) were attended to promote Lands services and local operations. New SCS fact sheets were prepared on a range of topics promoting the SCS and our positioning statement 'Experienced people protecting your resources'.
- Service agreements with government agencies with preferred supplier status won through public tender or direct negotiations with SCS clients continue to provide substantial consult income. Agreements during the year included work for RTA, SCA, Transgrid, Spotless and DDM (Defence) and several CMAs.
- CMA continue to be a major client for professional services and environmental works with projects totalling $1.49m. A large number of CMA joint-funded projects were also directly undertaken for landholders.
- Completion of fire trail maintenance, bushfire hazard reduction, minor dams project works and miscellaneous projects to the value of $1.34m for the Crown Lands division.

- In November 2008, SCS achieved external accreditation for its integrated management system adding OHS (AS4801:2001) and Environmental Management (AS/NZL ISO14001:2004) to its quality management system, ISO9001:2000. This was a major project task and will assist the division's ability to compete for commercial work.
- Consult activities during the year were strong assisted by significant project work carried over from 2007/08. Consult income at $14.5m exceeded our business plan target income of $13.8m by 5%. The major international/national economic downturn during the year impacted consult contract sales which fell by $4.13m on the previous year and may impact adversely on 2009/10 income.

**Table 1 – Percentage of customers by group**

| Customer group | Works (% of customers) | | | Consult (% of customers) | | | Operations (% of customers) | | | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2006/07 | 2007/08 | 2008/09 | 2006/07 | 2007/08 | 2008/09 | 2006/07 | 2007/08 | 2008/09 | 2008/09 |
| Landholders | 68.6 | 56.6 | 51.9 | 2.9 | 1.1 | 1.5 | 17.7 | 10.9 | 1.4 | 15.2 |
| State government | 17.2 | 23.2 | 22.8 | 68.8 | 72.6 | 61.5 | 71.7 | 79.4 | 98.6 | 57.3 |
| Local government | 3.4 | 3.8 | 2.2 | 7.9 | 5 | 13.3 | 2.8 | 5.4 | 0.0 | 8.0 |
| Corporate | 9.3 | 15.2 | 20.2 | 20.2 | 20.6 | 22.0 | 7.8 | 4.2 | 0.0 | 17.8 |
| Other | 1.5 | 1.2 | 2.9 | 0.2 | 0.7 | 1.7 | - | 0.1 | 0.0 | 1.7 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

**Table 2 – Billings by customer group**

| Customer group | Works (sales $000) | | | Consult (sales $000) | | | Operations (sales $000) | | | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2006/07 | 2007/08 | 2008/09 | 2006/07 | 2007/08 | 2008/09 | 2006/07 | 2007/08 | 2008/09 | 2008/09 |
| Landholders | 5,002 | 4,270 | 3,290 | 305 | 178 | 187 | 883 | 447 | 53 | 3,530 |
| State government | 1,253 | 1,751 | 1,449 | 7,151 | 11,962 | 7,979 | 3,591 | 3,248 | 3,894 | 13,322 |
| Local government | 252 | 285 | 140 | 822 | 833 | 1,727 | 139 | 221 | 0 | 1,867 |
| Corporate | 676 | 1,147 | 1,282 | 2,105 | 3,389 | 2,858 | 391 | 170 | 0 | 4,140 |
| Other | 107 | 89 | 184 | 16 | 113 | 217 | 2 | 3 | 1 | 402 |
| Total | 7,292 | 7,542 | 6,345 | 10,399 | 16,475 | 12,968 | 5,006 | 4,089 | 3,948 | 23,261 |

**FIGURE 13** | SCS performance highlights

# KEY PROJECTS

## NSW soils policy

With completion and government endorsement of the NSW Soils Framework, developed as a milestone under the NSW State Plan by the NSW Soil Policy Working Group, new directions in soil management within six areas of implementation were identified. These areas are institutional arrangements, research and development, marketing and awareness raising, information exchange and capacity building, funding and incentives and direct policy tools and regulation. To progress development of the NSW Soils Strategy three communication workshops were undertaken in June 2009 with targeted bodies, groups and individuals seeking views on the NSW Soils Framework. From this input a draft soils strategy document with a qualitative summary of the benefits and costs of implementing the strategy will be compiled by the working group for further review and Cabinet approval.

# REPORT ON OPERATIONS

## Works

Works income (billings plus accrued less prepaid income) at $6.8m was 11.6% decrease on last year's income and failed to meet the budgeted income of $7.3m. This was a disappointing result as operational costs also came in above forecast by 8.4%.

Chargeable plant hours at 810 hours per unit, dropped on 2007/08 (951 hours) and was well below the annual target of 1,300 hours (37.7%). Plant hours were again impacted by the ongoing widespread drought conditions for the majority of the year with a significant fall in landholder income of $1m as shown in Table 2 (above). Operational units were reduced to 35 bulldozers and one excavator. Approximately 14,860 hectares of land was treated with conservation earthworks including broadacre banks/waterways, dams and sediment detention structures. Four new Caterpillar D6Ns and two Komatsu D51-22s were leased and added to the fleet during the year allowing return of four older leased dozers and the disposal of two old SCS owned dozers.

## Consult

Total Consult income (billings plus accrued less prepaid income) for the year at $14.5m exceeded budgeted income of $13.8m (5%). Consult contract acceptances totalled $12.9m (24.6% down) well down on the previous year's record sales of $17.1m, but a sound result given market conditions. The economic downturn impacted many SCS clients resulting in smaller budgets and projects not proceeding. The unit successfully bid for a number of preferred contractor and project tenders including work for Parks and Wildlife (DECC), Mineral Resources (DPI), Sydney Catchment Authority, Transgrid, RTA and Defence. Commonwealth funded environmental programs also provided a number of project opportunities through CMAs in the Murray, Murrumbidgee, Southern Rivers, Hunter and Border/Gwydir Rivers areas to undertake works for rural landholders. Following the strong consult result in the previous year new staff positions were filled in Parramatta (two), Newcastle (two), Orange and Ballina. Continued strong growth in Consult is an important component of the division's business plan 2008-2013. Further new staff positions will be very dependent on improving economic conditions and federal/state infrastructure program work opportunities.

## Operations

Hunter Valley flood mitigation works and Great North Walk (GNW) programs were completed during the year to the value of $4m. Riverworks teams had a strong year, successfully sourcing additional projects to ensure full operational costs were met and improving revenue. Work included natural disaster relief funded projects following from the June 2007 floods ($979,000), CMA funded projects $650,000 in the Upper Hunter, Hunter flood mitigation maintenance and project works $1.89m and several minor projects totalling $197,000.

Earlier in the year GNW staff assisted Oxfarm in another very successful charity walk event on the track, 1,800 walkers. In addition to annual maintenance works major erosion and sediment control works ($30,000) were completed above Brooklyn and on the Watagan Creek access track and new steps constructed in the Jerusalem Bay area.

Fairy Bower Falls, NSW South Coast.

## FUTURE FOCUS

Lands, through the NSW Soils Working Group, will continue to work with the state's natural resource agencies to progress the NSW Soils Strategy through to public exhibition and adoption.

With approval of the SCS business plan the division will implement a number of strategies to ensure business viability over the period of the current plan and on an ongoing basis. Key strategies identified include:

- expansion of the Consult business and recruitment of staff to meet demand. (Business plan target $16m, a 16% increase on 2008/09, plus additional six Consult staff, subject to work demand)
- disposal of owned under utilised property assets. Subdivision and disposal of larger property assets. (Disposal of five surplus depots, subdivision and sale of land at Scone and Singleton, sales target $2.3m)
- a staged major plant and equipment replacement program, moving from leased to purchase as funds permit. (Completion of Gateway Review and Treasury approval for major plant replacement program, preparation of tender document)
- reduction in excessive ongoing maintenance and repair costs associated with operating old plant. (Disposal of five old dozers and one float)
- closure of high cost works teams to reduce Works operating losses. (11% reduction in Works fleet size)
- review of motor vehicle numbers within SCS to identify any savings through changed work practices (To be determined)
- ensure that ongoing operations of the SCS are financially viable to enable plant replacement in the longer term, 2015 onwards (Meet revised business plan targets for income and expenditure).

Retirement of senior staff will provide an opportunity to restructure the SCS management team to better suit the division's current direction.

Works plant operations will be downsized and a fleet replacement program introduced to provide a sustainable conservation earthmoving service to NSW. This activity is seen as an integral part of the current and future SCS.

The current international/national economic downturn and its impacts in NSW will present further challenges for the division in improving its financial performance in 2009/10 and beyond.

## Soil Conservation Service strategic objectives

| STRATEGIC INITIATIVE | KEY TARGET | PERFORMANCE OUTCOME | STATUS |
|---|---|---|---|
| **STRATEGIC OBJECTIVE 1: DELIVER QUALITY SERVICES** | | | |
| 1.1 Expand quality management system to include OHS and environmental management. | Achieve integrated management system. | Integrated system implemented with external accreditation. Accredited offices increase by two, now totalling seven. | Maintain external accreditation with regular auditing to ensure continuous improvement to customer services. |
| 1.2 Level of customer complaints as recorded under the QA framework (AS/NZS/ ISO9001:2000). | Minimise, resolve in timely manner. | 12 complaints relating to earthwork projects received. | Two remain open currently being negotiated. |
| 1.3 Implement marketing strategy. | Ongoing. | Tender resources improved and available via intranet to staff. Business Development Manager position created following management restructure to focus on strategy delivery. | Position to be filled 2009/10. |
| **STRATEGIC OBJECTIVE 2: INCREASE REVENUES** | | | |
| 2.1 Expand Consult income by (base 2007/08 - $12.7m). | $1.2m increase. | $1.81m increase achieved with total income of $14.51m. | Income target achieved despite severe economic downturn. |
| 2.2 Additional Consult staff employed. | Six staff. | Six staff engaged, four additional, two replacement | Subject to work demand up to six per year ongoing. |
| 2.3 Increase sales from opportunities identified in SCS marketing strategy. | 17% increase on 2007/08 of $12m. | 8% increase sales fell below target $14m by $1.07m. | Severe economic downturn reduced client budgets. |
| 2.4 Reduce 90+ days debtors. | < $300k. | Introduced reduced payment terms (30 to 21 days) and new deposit policy. | At 30 June $240k in 90+ days, representing 10% of current debtors. |
| **STRATEGIC OBJECTIVE 3: DECREASE OPERATIONAL COSTS** | | | |
| 3.1 Implement a plant replacement program. | By September. | Did not proceed due to late approval of SCS Business Plan. | Following plan approval plant replacement program will commence 2009/10. |
| 3.2 Negotiate tender for plant replacement. | By December 2008. | Did not proceed due to late approval of SCS Business Plan. | Following plan approval will commence 2009/10. |
| 3.3 Replace operational units using tender. | Six units. | Six new units leased following delay in SCS Business Plan approval. | Tender document to be completed in 2009/10 with new plant expected in 2010/11. |
| 3.4 Achieve bulldozer maintenance and repair savings. | $196k. | Not achieved, repair costs increased with breakdown hours increasing with aged fleet. | Repair savings will not be achieved until fleet replacement is progressed. |
| **STRATEGIC OBJECTIVE 4: MAXIMISE USE OF GOVERNMENT ASSETS** | | | |
| 4.1 Dispose of surplus: Earthmoving assets. | $0.27m. | Plant disposal $0.13m well below target due to delay in plant replacement program. | Approval on SCS business plan in April 2009 will allow program to now proceed. |
| Property assets. | $0.3m. | $0.09m delay in settlement of several properties, income to come in 2009/10. | Late start to program due to delay in SCS business plan approval. |
| 4.2 Maximise fleet production hours. | 1,300 hours. | 810 hours, well below target hours and a further drop on last year's 952 hours. | Continuing drought conditions and plant maintenance issues. |

Photo Paul Foley, Tourism NSW

# 6 GEOGRAPHICAL NAMES BOARD REPORT

**THE GEOGRAPHICAL NAMES BOARD IS THE OFFICIAL BODY FOR NAMING AND RECORDING DETAILS OF PLACES IN NSW**

## KEY ACHIEVEMENTS

- ✓ The corner of NSW, Vic and SA was named MacCabe Corner, in honour of the pioneer surveyor, Francis MacCabe.
- ✓ 2,812 place names were designated, an increase of 960 from the previous year.
- ✓ The board continued its policy of recognising Aboriginal and multicultural communities.

All sections of the community regularly use place names to describe where they live, how to get somewhere or where they have been. Natural features such as mountains, rivers and beaches are all known and described by a name. Our suburbs, cities and towns also have names. These 'geographical names' allow us to navigate across the landscape and describe places to others. In doing so, they provide the community with a spatial identity which reflects its culture and heritage.

During the 1950s the United Nations' Economic Social Council recognised the importance of place names and introduced directives to authenticate and standardise place names. In 1966 the NSW State Government passed the *Geographical Names Act 1966*, as amended, which provided, amongst other things, for the constitution of the Geographical Names Board (the board).

The board is the official body for naming and recording details of places in NSW and has the power to assign names to places, to investigate and determine the spelling, meaning, pronunciation, origin and history of any name, and to determine the application of each name with regard to position, extent or other reference.

The board works closely with councils and the community to ensure place names are widely accepted and reflect local attitudes.

## AIMS AND OBJECTIVES

The board's vision is to be recognised by communities as the authoritative body for location based naming in NSW. To achieve this vision the board has developed a strategic plan which includes the following objectives.

- To improve data quality to meet the needs of the community, partners and customers.
- To ensure that appropriate communications are in place to raise the awareness of the board and its functions.
- To establish an appropriate framework to support the board and achieve its outcomes.
- To maximise the use of technology as an enabler to support the strategic directions of the board.

## GOVERNANCE

### Functions of the board

As set out in the *Geographical Names Act 1966*, as amended, the board has the following powers and functions.

- Assign names to places.
- Approve that a recorded name of a place shall be its geographical name.
- Alter a recorded name or a geographical name.
- Determine whether the use of a recorded name or a geographical name shall be discontinued.
- Adopt rules of orthography, nomenclature and pronunciation with respect to geographical names.
- Investigate and determine the form, spelling, meaning, pronunciation, origin and history of any geographical name.
- The application of any geographical name with regard to position, extent or otherwise.
- Compile and maintain a vocabulary of Aboriginal words used or suitable for use in geographical names and to record their meaning and tribal origin.
- Compile and maintain a dictionary of geographical names with a record of their form, spelling, meaning, pronunciation, origin and history.
- Publish a gazetteer of geographical names.
- Inquire into and make recommendations on any matters relating to the names of places referred to it by the Minister.
- May compile, maintain and publish a list of road names.

The board proactively seeks to abide by these statutory provisions through the adoption of nomenclature policies and procedures which are both nationally and internationally recognised.

## Board members

Board members are appointed in accordance with the provisions set out in section 3 of the *Geographical Names Act 1966*, as amended, The Act allows for a total of nine members, four of which are those people who hold the office of, or are a respective nominee of, the Surveyor General of NSW, the Director General of the Department of Planning, the State Librarian and an officer of the Department of Lands nominated by the Director General of that department.

The remaining five positions are nominated by:

- the governing bodies of the Local Government Association of NSW and the Shires Association of NSW (joint nomination)
- the governing body of the Royal Australian Historical Society
- the governing body of the Geographical Society of NSW
- the NSW Aboriginal Land Council
- the Chairperson of the Community Relations Commission.

**Board members and attendance**

| Members of the Board | Board meetings (5 meetings) |
|---|---|
| Mr Warwick Watkins<br>AMP:ISMP (Harv), MNatRes, DipScAgr, HDA (Hons), FAPI, Hon FISA (NSW), FRICS, JP<br>Surveyor General of NSW. Ex-officio position | 3 (Chair) |
| Mr Paul Harcombe<br>BSurv (UNSW), MGeom (Melb)<br>Nominee of the Director General of the Department of Lands | 5 |
| Ms Cheryl Evans<br>Nominee of the State Librarian<br>Reappointed December 2006, term expired March 2009 | 4 |
| Mr Richard Neville<br>Nominee of the State Librarian<br>Appointed March 2009, term expires December 2011 | 4 |
| Mr Alan Ventress<br>BA, DipLIB Nominee of the Royal Australian Historical Society<br>Reappointed December 2006, term expires December 2011 | 5 |
| Cr Fran Tierney<br>Nominee of the Local Government and Shires Association of NSW<br>Appointed December 2006, term expires December 2011 | 3 |
| Dr John Emery BA, MA, PhD, DipEd, DipT&CP<br>Nominee of the Geographical Society of New South Wales<br>Appointed December 2006, term expires December 2011 | 5 |
| Mrs Beverley Manton<br>Nominee of NSW Aboriginal Land Council<br>Appointed 26 November 2008, term expires 12 December 2011 | 1 |
| Ms Wajiha Ahmed BA, LL.B, Grad Legal Prac, Dip Law<br>Nominee of the Community Relations Commissioner<br>Appointed December 2006, term expires December 2011 | 4 |
| Mr Richard Pearson<br>Nominee of the Department of Planning<br>Appointed December 2007, term expires December 2011 | 0 |
| Mr Brett Whitworth<br>Nominee for Mr Richard Pearson per section 3, part 12, subsection b of the *Geographical Names Act 1966*, as amended | 3 |
| **Counsellors*** | |
| Dr Peter Orlovich<br>Historical Advisor | 5 |
| Dr Jakelin Troy<br>Linguistic Advisor | 4 |
| Mr Gerard Herbert<br>Addressing Advisor | 4 |

*In accordance with the provision of the *Geographical Names Act 1966*, as amended, the board may appoint counsellors to advise it on matters within its powers and functions. The board has appointed three counsellors to advise it on issues such as linguistics, history and addressing.

Members of the Geographical Names Board are 'appointed' by the Governor and hold office for a period not longer than five years. They are also eligible for re-appointment after the completion of their respective term.

## Board meetings

The board met formally on five occasions during the year. Five members form a quorum. The Surveyor General of NSW in his position as chair has a deliberative vote and casting vote.

## Board committees

The board's secretary is a member on both Place names Australia Inc. and the Committee for Geographical Names of Australasia (CGNA).

Place names Australia is a voluntary non-profit association incorporated in NSW. The object of the association is to ensure that the Australian National Place names Survey is implemented. The aim of the survey is to prepare a national database of geographical names which documents their pronunciation, generic class, status (gazetted, obsolete, non-gazetted, sensitive, disputed etc.), origin, meaning, history, cultural significance (of both name and site), and map reference and location. The database will be made accessible for public enquiry via the internet and will be available to enable the production of place name dictionaries, both local and national.

CGNA coordinates place naming activities across Australia and New Zealand. Membership comprises Australian state and territory boards and committees, New Zealand and other organisations with a role and interest in place naming. In compliance with United Nation directives CGNA publishes a gazetteer which records the legal status and position of all geographical names within Australia. NSW place names for this product are supplied by the board.

### Administration

Section 4 of the *Geographical Names Act 1966*, as amended, makes provision for a secretary and such officers to administer the affairs of the board. To carry out this function Lands employs a secretariat which consists of four staff members. The Department of Lands also provides further administrative and technical support to assist the board in its day-to-day operations.

# REPORT ON PERFORMANCE

## Address determination

People use addresses on a daily basis to describe where they live and work. As such, addresses are a fundamental reference used by all levels of the community for the location of private residences, businesses, government agencies and essential services such as hospitals and police stations.

Australia's Online and Communication Council recently stated that 'Address management is the single most important contribution the spatial information industry can make for the business of government and industry'.

The board recognises addresses need to be logical, unique and readily identified. Along with the allocation of address numbers, the naming of address localities and roads is essential for the provision of addresses in NSW.

The board is committed to ensuring that address localities and roads are named in a manner that maintains the integrity of addresses within NSW. It does this by applying nationally accepted guidelines and standards to both road name and place name proposals.

The board has formally assigned over 160 address locality names and concurred with 2,163 new road names in the reporting year. Objections were also raised against two hundred and seventy eight road names that did not meet the board's guidelines. The standardisation of these names leads to greater certainty and integrity for thousands of addresses in NSW.

## Recognising achievements in the community

The recognition of famous and everyday Australians from all sectors of society who work tirelessly for the good of their local community is seen as a priority for the board. The board seeks to recognise outstanding achievement in the community by commemoratively naming relevant geographical features. Acts of bravery, community service and exceptional accomplishment by both individuals and groups are grounds for this recognition.

The board has bestowed honours of this nature on many individuals and groups. Returned service men and women, famous sporting identities, educators, industry leaders, former elected civic officials, famous Aboriginals, community leaders and everyday Australians have all been commemorated in this fashion. Within the reporting year, the board commemorated the achievements of over fifty five individuals who displayed outstanding qualities. These include Donald Commons Reserve Named after Donald Commons (born NZ 1855 - 1942) who was the surveying engineer for the extension of the North Shore Railway from 1878. Donald Commons was a distinguished artist and founding member of the Julian Ashton Art School. He resided at 'Narrelle', 3 Narelle Ave Pymble, and gave the land to council for the purpose of a reserve. Another example is Norths Lookout named after John Britty North (1831 - 1917) known as 'The Father of Katoomba' who registered the Katoomba Coal Mine in 1878. He played a major role in promoting Katoomba as a tourist destination. Norths Lookout overlooks Nellies Glen, named after his daughter Ellen Mary (Nellie) North (1862-1936).

## Cultural and historic place names

Since its inception, the board has preferenced Aboriginal place names. These names not only provide Australia with a unique taxonomy describing the landscape, they also provide an insight into the cultural beliefs and customs of our land's earliest inhabitants. In the reporting year the board has recognised many of these names including Lake Yandelora. Yandel'ora was a special meeting place where indigenous tribes from as far north as Maroochydore to as far south as Melbourne would gather to peacefully settle disputes. The summit of Mt Annan is where the leaders of each tribe would gather to establish laws.

The board also recognises the contribution made by new Australians and seeks to reflect cultural diversity in the state's nomenclature. This year the board named a reserve in South Hurstville to honour a sister city relationship between Kogarah Council and Ma An Shan in China. Ma An Shan means 'Horsesaddle Mountain'. The name is derived from legend. In 202BC Xiang Yu, King of the Chu Kingdom, committed suicide in this region after being defeated by his arch rival the Han King Liu Ban.

NSW also has a rich and colourful history which the board actively recognises and endeavours to incorporate into the state's place names. In September 2008 the board named the corner where the three states of NSW, Victoria and South Australia meet, MacCabe Corner in honour of the pioneer surveyor Francis MacCabe (1817-1902) who conducted the first surveys in the area and made a substantial contribution to mapping the border, by linking a survey of the Murray River to other state border surveys.

Francis MacCabe was responsible for a significant phase of surveying the rivers in the Murray-Darling Basin, however his work is little known and poorly recognised, he conducted a survey along the Murray River allowed Sir Thomas Mitchell to complete his great 1853 map of south-eastern Australia.

In his work, Mr MacCabe was also mindful of Aboriginal people, diligently recording their place names in his surveys. It's fitting this corner, so long overlooked, is named after this pioneering surveyor.

# STATUTORY REPORTING

## Consultants

During the year the board commissioned Dr Jakelin Troy to prepare a paper on the development of an Aboriginal vocabulary per its powers and functions outlined in section 5, part 1, sub-section g of the *Geographical Names Act 1966*. A total of $6,000 was budgeted for this project.

## Consumer response

The board's secretariat is administered by Lands. As such, all policies, systems and guidelines relating to complaints and customer satisfaction are dealt with as per the Department's directions. In line with these policies and guidelines the board has dealt with 38 Ministerial documents and several thousand submissions from the general public resulting from the board's consultation process.

## Ethnic Affairs Priorities Statement

The board is committed to the principles of multiculturalism and ensures the recognition of other traditions and customs by preferencing place names that acknowledge ethnicity in our society.

The *Geographical Names Act 1966*, as amended, also provides for the appointment of a member to the board by the Community Relations Commissioner to ensure linguistic and cultural considerations are taken in to account in the board's determinations.

**Indicators**

| Designation | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 |
|---|---|---|---|---|---|
| Address locality names and boundaries | 180 | 280 | 188 | 73 | 160 |
| Road names | 991 | 1,099 | 908 | 1,651 | 2,441 |
| Dual names | 22 | 1 | 1 | 1 | 0 |
| Other place names | 172 | 124 | 259 | 127 | 211 |

**FIGURE 14** | GNB indicators

Katoomba, Blue Mountains, NSW.

Through it strategic plan, the board has resolved to develop strategies that better understand multicultural expectations in NSW and publish its decisions in languages required by its customer base.

## Grants to non-government organisations

There were no grants given to non-government organisations in the reporting year.

## Legislation

There were no changes made to the *Geographical Names Act 1966*, as amended, in the reporting year.

## Publications

The board publishes various documents which are designed to inform the community on issues concerning place names within NSW. The following publications are available through the board's website or at the board's office.

- Geographical Names Board – Preserving the history, culture and identity of NSW.
- Determining suburbs and localities in NSW.
- Dual Naming – Supporting cultural recognition.
- Commemorative naming.
- Guidelines for the determination of place names.
- Place name application form.
- Glossary of status values in the Geographical Names Register.
- Glossary of designation values in the Geographical Names Register.
- Geographical Names Board – The NSW road and address locality naming process.
- Road naming in NSW.
- Guidelines for the naming of roads.
- The naming and addressing of private roads and roads in community subdivisions.
- Rural addressing for NSW.

For information on payment performance, risk management and insurance, and all other administrative procedures, policies and processes for this report please refer to Lands' annual report appendixes.

## FUTURE FOCUS

In September 2007, the board drafted its strategic plan which sets its direction and objectives for the next three years.

To facilitate in the delivery of these objectives the board has set over 30 strategies and actions.

To date excellent progress has been made on these strategies and actions, and their implementation will be continued throughout 2009/10.

These include:

- the investigation and recommendations of various reforms for legislation dealing with legal addressing
- updates to the board's website to improve community access
- implemented strategies for improved community access through the establishment of a new 1800 phone number
- over 90% completion of all address locality determinations with all outstanding determination scheduled for completion by the end of next financial year.

Photo Hamilton Lund, Tourism NSW

# 7 OFFICE OF RURAL AFFAIRS REPORT

**THE OFFICE OF RURAL AFFAIRS PROVIDES ADVICE ON LOCAL COMMUNITY SOLUTIONS TO KEY ISSUES**

## KEY ACHIEVEMENTS

- ✓ The Country Hall Renewal Fund gave $1m to refurbish 43 community halls.
- ✓ 11 rural communities received over $2m in assistance to deliver affordable high speed broadband.
- ✓ ORA continued its support of community technology centres in over 82 towns.

Working within the framework of NSW Government objectives and priorities of the NSW State Plan, the Office of Rural Affairs (ORA) actively seeks opportunities for government and community to work together on sustainable economic, social and environmental developments involving country NSW.

The ORA provides strategic advice to the Minister for Rural Affairs on government and community approaches and leadership on local community solutions to key issues. It seeks to develop cooperative relationships and partnerships with the community.

The ORA works to the objectives of the NSW State Plan.

## VISION

To enhance the wellbeing of people and communities in country NSW, increase ease of access to services for country people and prioritise the government focus on local needs and the strengthening of local communities.

## WHAT WE DO

The ORA works to develop new and maximise current links with stakeholders and communities across NSW and through providing secretariat and policy support to the Regional Communities Consultative Council (RCCC).

The ORA is made aware of issues that have statewide country community implications by:

- responding to statewide issues that are raised through the regional coordination management groups across country NSW
- maintaining strong links with key stakeholder and non-government organisation (NGO) groups working in country NSW
- carrying out extensive consultations with small rural communities at regular intervals through the year
- through a constructive partnership with community technology centres and the Community Technology Centres Association that support over 82 individual centres in rural and isolated NSW
- mapping statewide implications of ad-hoc requests by community through the RCCC freecall 1800 number
- responding to country issues raised through Ministerial requests.

### Advocacy for rural commodities submissions and presentations

The ORA and the RCCC have made submissions on the following issues.

- Ms Sue Cripps, Chief Executive Officer, Homeless NSW - Supporting letter to submission to the Federal Government's Green Paper on Homelessness.
- Senator the Hon. Stephen Conroy, Minister for Broadband, Communications and the Digital Economy – spectrum be made available for regional Australia.
- NSW Department of Primary Industries – RCCC response to request for potential action on the Expert Social Panel Report to Government, 'It's about people: Changing perspectives on dryness'.
- Australian Communications and Media Authority (ACMA) - RCCC response to the ACMA Spectrum Planning Discussion Paper SPP 02/09 – Release of the 3.6 GHz band for wireless access services.
- Australian Government Department of Broadband, Communications and the Digital Economy – RCCC submission on Backhaul Blackspots Initiative Stakeholder Consultation Paper.

Provided parliamentary briefings and had meetings in relation to the following inquiries and reviews.

- Legislative Assembly Standing Committee on Broadband in Rural and Regional Communities.

Are members of the following committees.

- Department of Premier & Cabinet, Regional Coordination Management Groups (rural).
- Minister for Volunteering – Volunteering forums and policy development workshops.
- Centre for Rural & Remote Mental Health Advisory Committee and the Centre for Rural and Remote Mental Health Transcultural Rural & Remote Mental Health Outreach Project.
- Department of Premier & Cabinet, Drought Welfare Coordinating Committee.
- Senior Officers Committee on Drugs and Alcohol.
- Responsible Gambling Trust.
- Co-delegate on the Natural Resources Advisory Council.

- Attorney General's Department Youth Conduct Orders Advisory Committee.

Spoke at the following conferences and forums.

- Australian Telecommunications user group – regional conference – regional workshops.
- RADCOMMS09 – Radio Communications - Australian Communication Media Authority – access to spectrum for rural areas.

Judged at the following awards.

- NSW Premier's Awards.
- Regional Achievement and Community Awards (Community of the Year - Population under 15,000, Population over 15,000).

The Office of Rural Affairs also provides comment to the Minister for Rural Affairs on Rural Communities Impact Statements in NSW Government Cabinet Minutes.

## The RCCC

The Regional Communities Consultative Council (RCCC) is an independent, community advisory body to the Premier and the Minister for Rural Affairs. The RCCC is comprised of an independent chair and 14 committee members drawn from regional NSW, representing a broad range of knowledge and non-government interest groups from across rural and regional community sectors. These sectors are social services, farmers, women's, young people, ethnic communities, health, Aboriginal communities, religious, trade union, local government, education, environment, business and industry and economic development.

**Functions of the RCCC**

The RCCC develops recommendations about ways in which government and country communities can work together to strengthen the capacity of communities to respond to local issues by:

- advocating on behalf of and raising the views of country people to government
- advising on service provision, rural policy and initiatives
- advising on access and delivery of government information to country communities
- identifying opportunities to enhance the quality of life for country people.

**RCCC members, meetings and consultations**

RCCC members are appointed for a two-year term.

**Manager, Office of Rural Affairs**

Fran Schonberg

**Budget**

The ORA budget allocation includes funds related to the operation of the RCCC ($150,000) and employee and related operating costs of the ORA itself ($1,701,880). No capital works funding was allocated to the ORA in 2008/09.

# PERFORMANCE HIGHLIGHTS

## $85 million Building the Country Package - Country Halls Renewal Fund

The Country Halls Renewal Fund provides $2.5m over five years to assist rural communities in refurbishing and upgrade their community hall.

Community halls are invariably the centrepiece of community life for the states country towns and villages and more often than not are run by volunteers. This program invests in jobs and infrastructure to support the future and the well being of our rural communities.

Minister for Rural Affairs, Tony Kelly announced the 43 successful applications for the first round of funding totalling $1m this financial year. This funding for new local jobs provides a great lift for community spirit and much needed repair and renovations.

The following community halls were assisted in the last financial year. Millthorpe School of Arts Hall, Euabalong Community Hall, Blighty Public Hall, Pretty Pine Community Hall, Ellenborough Hall, Hollisdale Hall, Kendall Community Hall, Pambula Town Hall, Hay War Memorial Community, Collie CWA Community Hall, Curban Community Hall, Wilcannia Hall, Neville Public Hall, Ebor War Memorial Hall, Majors Creek Recreation Hall, Barham School of Arts Hall, Bedgerabong Community Hall, Byrock Hall, Enngonia War Memorial Hall, Darnick Community Hall, Emmaville War Memorial Hall, Pilliga CWA Hall, Breeza Community Hall, Wandella Public Hall, Louth Community Hall, Gresford School of Arts Hall, Tilpa Community Hall, Baryulgil Hall, Woodstock Soldiers Memorial Hall, Binya Public Hall, Nangus Public Hall, Kentucky Memorial Hall and Literary Institute, White Cliffs Community Hall, Greenridge Soldiers Memorial Hall, Candelo Town Hall, Bobin School of Arts Hall, Ivanhoe Community Hall, Peak Hill A.I.F Memorial School of Arts Hall, Weemelah Memorial Hall, Wanaaring Community Hall, Hillston Community Hall, Smiths Road Community Hall and Fire Shed, Menindee Community Hall.

## $85 million Building the Country Package - Community Broadband Development Program

The Community Broadband Development Program provides $11.6m over five years to deliver affordable high speed broadband to some of the more isolated communities in rural NSW.

Access to this technology supports business development, helps industries and communities to diversify their economic base and develop opportunities to enhance access and delivery of government services.

The program supports communities to identify their broadband needs, develop a business case and technical plan and negotiations for the provision of network services so that the solution is tailored to the community's current and future needs.

There were 65 applications in the first round of the program. The 11 successful communities are Wilcannia, South West Rocks, Pilliga, Quambone, Dalgety, Coleambally, Jubulum, Hill End, Goodooga, Balranald and Delegate.

## $85 million Building the Country Package - Small Communities Awareness Fund

The Small Communities Awareness Fund is $450,000 over five years to help small communities in rural and remote NSW to supplement or establish an internet website promoting their town, businesses and tourism attractions.

Small towns are the economic and cultural backbone of country NSW and this fund will help these communities tell the world who they are and what they have to offer. These communities are often quite close to a larger centre and have features which would attract visitors and tourists, but they need to be able to reach an audience in the most cost-effective way.

The 18 successful applications that received funding this financial year to develop sites for their towns and villages were Ebor, Barraba, Wilcannia, Batlow, Millthorpe, Greenethorpe, Bonalbo, West Wyalong, Culburra Beach, freshwater angling tourism villages, Henty, Gloucester, Bulahdelah, Lake Cargelligo, Coolah, Deniliquin and Mungindi.

## The Community Technology Centre Program

ORA is the State Government representative on the Community Technology Centres Association (CTCA) that supports the Community Technology Centre Program (CTC) in NSW. Community technology centres provide infrastructure, training, technology support and deliver community services to over 82 towns and villages.

ORA continues to support the CTCs by facilitating programs and services and providing ex-government computers.

CTCs offer free online access to NSW State Government information through the www.nsw.gov.au portal, some provide RTA E-toll tags for temporary use by country people travelling to Sydney as well as a range of programs on behalf of NSW Government agencies.

ORA is committed to continuing the work already put in place by the NSW Government by establishing more CTCs in rural communities and connecting them to the support and programs offered through the Community Technology Centres Association.

This expansion program supports the NSW State Plan, R4 increased participation and integration in community activities, S8 increased customer satisfaction with government services and P7 better access to training in rural and regional NSW to support local economies.

## Computer reuse project

Many community groups in country towns are struggling to keep up with new regulations, taxation requirements and management responsibilities. More often than not they are also older residents who are the volunteer backbone of many community events and activities.

To support these groups ORA has been distributing decommissioned Department of Land's computers. Computers have been provided to historical societies, small country museums, environmental groups and neighbourhood centres.

The Community Technology Centres (CTCs) in over 80 smaller towns and villages are also able updating their computer banks and in turn provide tuition, training and access to software for the other community groups.

## Food recovery project

The food recovery project was an initiative of the Office of Rural Affairs (ORA) in July 2008. Based on the OzHarvest Program whereby excess prepared food is donated to charities, ORA invited the Orange Ex-Services Club, Western Institute of TAFE Orange Campus, Emerge Youth and Family Services, St Vincent's Food Van, Lyndon Withdrawal Unit, Fusion and the O'Brien Centre to pilot the food recovery project in Orange.

ORA played the coordinating role and brought partners together, held meetings, disseminated legislative information and organised publicity. Currently the Western Institute of TAFE Orange Campus and Orange Ex-Services Club donate excess food from functions, conferences and cooking classes to the partner charities. This has met a real need by the charities as well as reduced waste and disposal of food by the donors. The project continues on in Orange and an information package has been created for other interested communities.

**Responding to the community**

The Office of Rural Affairs responds issues that are formally and informally raised to the Minister for Rural Affairs. These issues are often complex and require close collaboration with the Minister office and other Ministerial portfolios to resolve.

The projects and issues that ORA are the Ministerial office involved with are likely to:

- be complex, with multiple stakeholders with diverse expectations and priorities
- require specific tangible results to be achieved, usually within a short time frame
- require the development and implementation of integrated solutions
- have major benefits for the people, economy or environment of country NSW.

The strength of the Office of Rural Affairs is the ability to identify issues and develop whole of government and/or collaborative approaches across all agencies and community to achieve results. The office also maintains strategic alliances and partnerships that build on the strength of the RCCC, as an independent body, to ensure outcomes are achieved.

## FUTURE FOCUS

To support the delivery of the NSW Government State Plan, manage the Country Halls Renewal Fund, Small Communities Awareness Fund and the Community Broadband Development Program. ORA and the RCCC will be undertaking community consultations across rural NSW to identify community views and local solutions.

Photo Sharyn Cairns

Bangalow, Northern Rivers, NSW Far North Coast.

# 8 OFFICE OF BIOFUELS REPORT

**THE OFFICE OF BIOFUELS IMPLEMENTS AND SUPPORTS THE FURTHER DEVELOPMENT OF BIOFUELS STRATEGY**

## KEY ACHIEVEMENTS

- ✓ The minimum average ethanol content in petrol reached the mandated 2%, with 20% of all petrol now E10.
- ✓ The office supported the second stage of the biofuels program that embodies initiatives including an increase in future biodiesel averages to 2% by 1 Jan 2010.

The world is now using up proven petroleum resources faster than new supplies are being discovered, a situation commonly referred to as 'peak oil'. Our transport future therefore depends on finding new renewable sources of energy.

Many new vehicle propulsion technologies, such as electric vehicles and hydrogen fuel cells are being developed, but only biofuels are useable in the current vehicle fleet without modification, and many of our existing motor vehicles are going to be on the road for another 20 or more years.

The NSW Government therefore aims to increase the sustainable local production, distribution and consumer uptake of biofuels, creating a viable biofuels industry base. From this industry base, the government will encourage the development of second-generation technologies and feedstocks that will enable the sustainable production of much greater volumes of biofuels.

The Office of Biofuels was established in the Department of State and Regional Development in 2007 to implement the NSW Government's biofuels program and to support the further development of biofuels strategy. The Office was transferred to the Department of Lands on 1 December 2008.

## AIMS AND OBJECTIVES

The Office of Biofuels' aims and objectives are to:

- develop biofuels strategy in accordance with government policy
- develop legislation and other measures to implement the strategy
- implement biofuels legislation
- deliver other approved measures to increase the sustainable production, distribution and use of biofuels
- provide the secretariat for the Biofuels Expert Panel, which advises the Minister for Lands on biofuels issues.

## GOVERNANCE

The Office of Biofuels reports to the Director General of the Department of Lands.

**Director, Office of Biofuels**
Greg McDowall

### Biofuels Expert Panel

Members are appointed to the Biofuels Expert Panel in accordance with the provisions set out in Section 24 of the *Biofuels Act 2007*. The Act nominates six members, who hold the office of, or are a respective nominee of, the Department heads of the Department of Lands, State and Regional Development, Primary Industries, Environment and Climate Change, Commerce, and the Treasury. The Director General of the Department of Lands, or his nominee, chairs the panel.

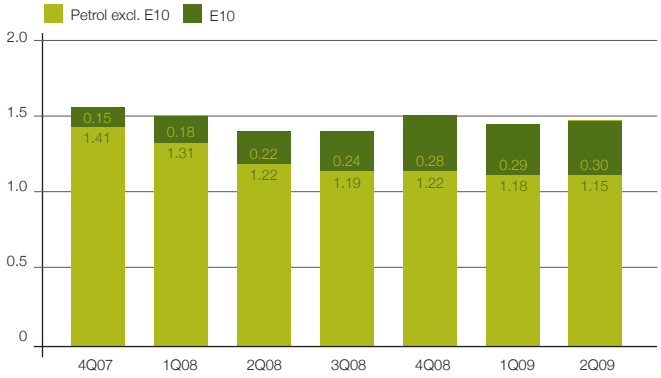
### Panel meetings

The panel met formally on four occasions during the year.

## REPORT ON PERFORMANCE

The *Biofuel (Ethanol Content) Act 2007* mandated a minimum 2% average ethanol content in petrol, which was the first stage of the NSW Government's biofuels program.

The Act was successfully implemented during 2008, with the average ethanol content of




**Graph 1** **Petrol Market History (GL/quarter)**

NSW petrol reaching 2% in September 2008. This means that 20% of all NSW petrol is now E10.

The progress of some individual primary wholesalers that have not yet reached the required 2% ethanol is managed through partial exemptions granted by the Minister in accordance with the Act. These partial exemptions impose strict conditions that require the primary wholesaler to take all reasonable actions to achieve the required 2% ethanol content as soon as possible.

During 2008/09, the Office of Biofuels supported the development of the second stage of the biofuels program, embodied in the *Biofuel (Ethanol Content) Amendment Act 2009*, which:

- renames the original Act to be the *Biofuels Act 2007*
- broadens its application to impose a direct obligation on major retailers
- increases the ethanol mandate to 4% from 1 January 2010
- further increases the ethanol mandate to 6% from 1 January 2011
- requires all regular grade unleaded petrol to be blended with 10% ethanol from 1 July 2011
- establishes a 2% biodiesel mandate from 1 January 2010
- increases the biodiesel mandate to 5% from 1 January 2012
- establishes sustainability standards for biofuels.

The office also developed new regulations and reporting systems to implement the revised Act.

The office maintained liaison with many stakeholders to ensure that the biofuels program is smoothly implemented

## STATUTORY REPORTING

**Consultants**
The Office of Biofuels did not employ any consultants during 2008/09.

**Consumer response**
The Office of Biofuels is part of Lands. As such, all policies, systems and guidelines relating to complaints and customer satisfaction are dealt with as per the Department's directions.

**Ethnic Affairs Priorities Statement**
All policies, systems and guidelines relating to ethnic affairs are dealt with as per the Department's directions.

**Grants to non-government organisations**
There were no grants given to non-government organisations in the reporting year.

**Legislation**
The Office of Biofuels was established in 2007 to implement the *Biofuel (Ethanol Content) Act 2007*.

The *Biofuel (Ethanol Content) Amendment Act 2009* passed both Houses of the New South Wales Parliament on 1 April 2009 and received Royal Assent on 7 April 2009. The Act will commence on 1 October 2009. Upon commencement, the *Biofuel (Ethanol Content) Amendment Act 2009* will rename the *Biofuel (Ethanol Content) Act 2007* as the *Biofuels Act 2007*.

**Publications**
The Office of Biofuels maintains a website, www.biofuels.nsw.gov.au, which provides information for the petroleum and biofuels industries, other stakeholders, and consumers.

### FUTURE FOCUS

The Office of Biofuels is to develop a 10-year biofuels strategy to encourage the development of second-generation technologies and feedstocks, which will enable the sustainable production of much greater volumes of biofuels.

Second generation technologies include:

- lignocellulosic ethanol
- butanol
- algal biodiesel
- pyrolysis oil.

Photo Sharyn Mayman, Tourism NSW

Gerringong, South Coast NSW.

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KEY ACHIEVEMENTS

- ✓ Exceeded budgeted surplus target by $10m.
- ✓ Increased revenues from valuations.
- ✓ Increased Commonwealth funding for reserves.

# 9 FINANCIAL STATEMENTS

## FINANCIAL PERFORMANCE

Following are the financial statements for the NSW Department of Lands (Lands) and the Land and Property Information division (LPI).

Lands statements include all financial activities of the Department, including LPI. LPI is also required by NSW Treasury to have a separate financial report, as it operates under the NSW Treasury Commercial Policy Framework.

Lands also administers the Crown Leaseholds Entity (CLE) and the Land Development Working Account (LDWA), on behalf of NSW Treasury. The financial reports for these entities are not included here, as they are reported in the Crown Entity annual report produced by NSW Treasury. To enable a more complete picture of the operations of Lands, some details of the financial results for CLE and LDWA are incorporated into the analysis of financial performance.

### How we are funded

Funding for the Department of Lands comes from a mix of government contributions and revenues generated from our commercial functions. Specific information on how we are funded can be found on page 12.

### Where any profits go

Most profit, which is referred to in the financial statements as 'surplus', is returned to the Consolidated Fund. LPI pays profits back to the Government in the form of taxes and dividends. For 2008/09 this totalled $16.3m and the dividend payment was set at 100% of the surplus for the year, up from 85% in previous years. Any surplus that is not paid back to the Government goes towards accumulated funds.

CLE distributes most of its cash receipts to the Consolidated Fund of NSW, whilst LDWA contributes 100% of any resulting surplus. For 2008/09 the CLE distributed $69m. As LDWA made a small loss, there was no distribution made. Any accumulated funds within CLE and LDWA remain within those financial entities, which are both consolidated within the Crown Entity and they do not form part of Lands' funds.

### Targets for 2008/09

The financial targets for Lands can be seen in the Lands financial statements 'Budget' column. For 2008/09, the overall targeted position was for a $15m surplus. This was exceeded, with the final result bringing a $25m surplus.

### Overall revenue/expenditure

Factors contributing to this improved position include:

- increased revenue from valuation services
- Commonwealth funding for the HMAS Adelaide Crown Reserve
- increased earnings by the Public Reserves Management Fund
- doubling of LPI title transfer fees
- decreased employee expenses due to a slower commencement of trainee positions
- focus on maintaining robust expenditure controls.

### Economic conditions

The broader economic environment and flow on effects of the global financial crisis placed pressure on areas of our business during the year.

As the NSW housing market slowed, there was a slow down in LPI activity, with fewer land title copies being requested and fewer plans being registered. However, towards the end of the financial year, this area of our business picked up, quite likely in response to the government's first home owner grants. LPI ended the year almost in line with budget targets.

The SCS division experienced a downturn in revenues from business operations, compared with the previous year. The economic environment, on top of the continued drought conditions, contributed to lower consultancy services contracts and a general decrease in customer demand.

Another area affected by the general economic conditions was customer debt levels. 2008/09 saw increases in the level of provisions made for bad debt, across Lands' businesses as well as CLE and LDWA. This is in recognition of potential increased pressures on the ability for customers to pay debts outstanding. At the same time, we increased our focus on debt management activities, reviewing internal processes and putting in place additional reporting regimes.

The State Government brought down a mini budget during November 2008, in response to the global financial crisis which implemented a number of budget restrictions on all government agencies.

This resulted in increased revenue targets and budget restrictions for Lands and CLE. Staffing freezes were also implemented in an effort to reduce costs across government. In response, Lands implemented a program of budget review and reduction, which resulted in many projects which were not committed to, being cancelled or deferred.

### Aims for 2009/10

The next financial year will see the bedding down of structural changes resulting from the formation of the Land and Property Management Authority. This will include incorporating the previously 'administered activities' of CLE and LDWA within the authority, although a number of financial entities will continue to be separately reported for 2009/10.

There will be a continued focus on debtors management, as well as cash management and forecasting. We will also continue to review and improve our internal accounting processes.

GPO BOX 12
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

## DEPARTMENT OF LANDS

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Department of Lands (the Department), which comprises the balance sheet as at 30 June 2009, the operating statement, statement of recognised income and expense, cash flow statement, service group statements and a summary of compliance with financial directives for the year then ended, a summary of significant accounting policies and other explanatory notes.

### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Department as at 30 June 2009, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

### Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Departments preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Departments internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Department,
- that it has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

**Independence**

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

Scott Stanton
Director, Financial Audit Services

20 October 2009
SYDNEY

## STATEMENT BY CHIEF EXECUTIVE OFFICER

Pursuant to section 45F (1B) of the *Public Finance and Audit Act 1983*, we state that:

(a) the accompanying financial report has been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the *Public Finance and Audit Regulation 2005*, the Treasurer's Directions and Australian Accounting Standards (including Australian Accounting Interpretations);

(b) the financial report exhibits a true and fair view of the financial position and financial performance of the Department of Lands for the year ended 30 June 2009; and

(c) there are no circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

Bob Costello

Director, Finance and Corporate Support
Land and Property Management Authority
Date: 20 October 2009

Warwick Watkins

Chief Executive Officer
Land and Property Management Authority
Date: 20 October 2009

## OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

| | Notes | Actual 2009 $'000 | Budget 2009 $'000 | Actual 2008 $'000 |
|---|---|---|---|---|
| **Expenses Excluding Losses** | | | | |
| Operating expenses | | | | |
| Employee related | 2(a) | 146,233 | 151,685 | 128,905 |
| Other operating expenses | 2(b) | 80,113 | 70,052 | 82,005 |
| Depreciation and amortisation | 2(c) | 18,583 | 15,744 | 16,551 |
| Grants and subsidies | 2(d) | 10,937 | 20,513 | 9,171 |
| Finance costs | 2(e) | 823 | 50 | 925 |
| Other expenses | 2(f) | 14,286 | 13,168 | 10,749 |
| **Total Expenses Excluding Losses** | | **270,975** | **271,212** | **248,306** |
| **Revenue** | | | | |
| Sale of goods and services | 3(a) | 197,731 | 192,471 | 194,417 |
| Investment revenue | 3(b) | 4,715 | 4,090 | 4,096 |
| Retained taxes, fees and fines | 3(c) | 4,423 | 3,600 | 4,323 |
| Grants and contributions | 3(d) | 9,462 | 17,213 | 6,223 |
| Other revenue | 3(e) | 9,785 | 1,582 | 3,785 |
| **Total Revenue** | | **226,116** | **218,956** | **212,844** |
| **Gain/(loss) on disposal** | 4 | 47 | - | (2,675) |
| **Other gains/(losses)** | 5 | (848) | (145) | (350) |
| **Net Cost of Services** | 28 | **45,660** | **52,401** | **38,487** |
| **Government Contributions** | | | | |
| Recurrent appropriation | 6 | 65,633 | 62,971 | 64,149 |
| Capital appropriation | 6 | 628 | 628 | 581 |
| Acceptance by the Crown Entity of employee benefits and other liabilities | 8 | 4,692 | 3,330 | 4,220 |
| **Total Government Contributions** | | **70,953** | **66,929** | **68,950** |
| **SURPLUS FOR THE YEAR** | | **25,293** | **14,528** | **30,463** |

The accompanying notes form part of these financial statements.

## STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2009

| | Notes | Actual 2009 $'000 | Budget 2009 $'000 | Actual 2008 $'000 |
|---|---|---|---|---|
| Net increase/(decrease) in property, plant and equipment asset revaluation reserve | 22 | 16,261 | - | - |
| Superannuation actuarial losses | 22 | (144,618) | - | (53,727) |
| **TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY** | | **(128,357)** | **-** | **(53,727)** |
| Surplus for the year | | 25,293 | 14,528 | 30,463 |
| **TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR** | | **(103,064)** | **14,528** | **(23,264)** |
| **EFFECT OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS** | | | | |
| (Deficit) for the year as reported | | - | - | (23,264) |
| Superannuation actuarial losses | 22 | - | - | 53,727 |
| **Restated profit for the year** | | **-** | **-** | **30,463** |

The accompanying notes form part of these financial statements.

## BALANCE SHEET AS AT 30 JUNE 2009

| | Notes | Actual 2009 $'000 | Budget 2009 $'000 | Actual 2008 $'000 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current Assets** | | | | |
| Cash and cash equivalents | 10 | 42,126 | 51,813 | 49,352 |
| Receivables | 11 | 22,075 | 22,083 | 22,916 |
| Inventories | 12 | 279 | 302 | 311 |
| Other financial assets | 13 | 6,031 | 6,009 | 5,642 |
| Non-current asset held for sale | 14 | 576 | 2,900 | - |
| **Total Current Assets** | | **71,087** | **83,107** | **78,221** |
| **Non-Current Assets** | | | | |
| Receivables | 11 | 41 | 12 | 12 |
| Inventories | 12 | 1,513 | 1,617 | 1,571 |
| Other financial assets | 13 | 20,986 | 20,145 | 20,540 |
| Property, Plant and Equipment | 15 | | | |
| Land and Buildings | | 112,619 | 89,343 | 93,678 |
| Plant and Equipment | | 19,297 | 22,960 | 18,499 |
| Infrastructure systems | | 27,475 | 29,317 | 28,133 |
| Total Property Plant and Equipment | 15 | 159,391 | 141,620 | 140,310 |
| Intangible assets | 16 | 30,604 | 26,395 | 31,839 |
| Prepaid Superannuation | 20 | - | 7,017 | 7,017 |
| **Total Non-Current Assets** | | **212,535** | **196,806** | **201,289** |
| **TOTAL ASSETS** | | **283,622** | **279,913** | **279,510** |
| **LIABILITIES** | | | | |
| **Current Liabilities** | | | | |
| Payables | 18 | 30,167 | 40,487 | 43,735 |
| Borrowings | 19 | 1,627 | 1,555 | 1,555 |
| Provisions | 20 | 61,158 | 51,182 | 54,333 |
| Other | 21 | 21 | 349 | 968 |
| **Total Current Liabilities** | | **92,973** | **93,573** | **100,591** |
| **Non-Current Liabilities** | | | | |
| Borrowings | 19 | 6,818 | 12,165 | 11,386 |
| Provisions | 20 | 143,109 | 16,292 | 14,523 |
| **Total Non-Current Liabilities** | | **149,927** | **28,457** | **25,909** |
| **TOTAL LIABILITIES** | | **242,900** | **122,030** | **126,500** |
| **NET ASSETS** | | **40,722** | **157,883** | **153,010** |
| **EQUITY** | | | | |
| Reserves | 22 | 50,963 | 35,356 | 35,356 |
| Accumulated funds | 22 | (10,241) | 122,527 | 117,654 |
| **TOTAL EQUITY** | | **40,722** | **157,883** | **153,010** |

The accompanying notes form part of these financial statements.

# CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

| | Notes | Actual 2009 $'000 | Budget 2009 $'000 | Actual 2008 $'000 |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| **Payments** | | | | |
| Employee related | | (143,669) | (145,370) | (136,098) |
| Grants and subsidies | | (10,883) | (20,513) | (9,171) |
| Finance costs | | (714) | (50) | (874) |
| Other | | (110,367) | (93,971) | (100,289) |
| **Total Payments** | | **(265,633)** | **(259,904)** | **(246,432)** |
| **Receipts** | | | | |
| Sale of goods and services | | 201,501 | 195,861 | 205,015 |
| Retained taxes, fees and fines | | 4,461 | - | 4,505 |
| Interest received | | 4,219 | 4,040 | 3,796 |
| Other | | 21,165 | 31,666 | 8,801 |
| **Total Receipts** | | **231,346** | **231,567** | **222,117** |
| **Cash flows from Government** | | | | |
| Recurrent appropriation | 6 | 65,654 | 62,971 | 65,117 |
| Capital appropriation (excluding equity appropriations) | 6 | 628 | 628 | 581 |
| Cash transfers to the Consolidated Fund | | (968) | - | (301) |
| **Net Cash flows from Government** | | **65,314** | **63,599** | **65,397** |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES** | 28 | **31,027** | **35,262** | **41,082** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Proceeds from sale of Land and Buildings, Plant and Equipment and Infrastructure Systems | 4 | 229 | 2,105 | 154 |
| Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems | | (17,731) | (19,878) | (20,142) |
| Advance repayments received | | 5,182 | - | 3,901 |
| Advance made | | (5,566) | (2,500) | (7,796) |
| Other | | | | |
| **NET CASH FLOWS FROM INVESTING ACTIVITIES** | | **(17,886)** | **(20,273)** | **(23,883)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from borrowings and advances | | 220 | - | 575 |
| Repayment of borrowings and advances | | (1,611) | (779) | (1,151) |
| Contribution to Consolidated Fund | | (18,976) | (10,090) | (16,512) |
| **NET CASH FLOWS FROM FINANCING ACTIVITIES** | | **(20,367)** | **(10,869)** | **(17,088)** |
| **NET INCREASE/(DECREASE) IN CASH** | (7,226) | 4,120 | 111 | |
| Opening cash and cash equivalents | | 49,352 | 47,693 | 49,241 |
| **CLOSING CASH AND CASH EQUIVALENTS** | 10 | **42,126** | **51,813** | **49,352** |

The accompanying notes form part of these financial statements.

# SUPPLEMENTARY FINANCIAL STATEMENTS
# SERVICE GROUP STATEMENTS* FOR THE YEAR ENDED 30 JUNE 2009

| | Service group 1** | | Service group 2** | | Not attributable | | Total | |
|---|---|---|---|---|---|---|---|---|
| **AGENCY'S EXPENSES AND INCOME** | **2009 $'000** | **2008*** $'000** | **2009 $'000** | **2008*** $'000** | **2009 $'000** | **2008*** $'000** | **2009 $'000** | **2008 $'000** |
| **Expenses excluding losses** | | | | | | | | |
| Operating expenses | | | | | | | | |
| - Employee related | 42,216 | 38,079 | 11,246 | 10,972 | 92,771 | 79,854 | 146,233 | 128,905 |
| - Other operating expenses | 13,607 | 12,543 | 15,345 | 16,480 | 51,161 | 52,982 | 80,113 | 82,005 |
| Depreciation and amortisation | 2,081 | 1,904 | 516 | 389 | 15,986 | 14,258 | 18,583 | 16,551 |
| Grants and subsidies | 8,657 | 8,084 | 1,760 | 552 | 520 | 535 | 10,937 | 9,171 |
| Finance costs | 823 | 883 | - | 42 | - | - | 823 | 925 |
| Other expenses | 9,506 | 8,406 | - | - | 4,780 | 2,343 | 14,286 | 10,749 |
| **Total Expenses excluding losses** | **76,890** | **69,899** | **28,867** | **28,435** | **165,218** | **149,972** | **270,975** | **248,306** |
| **Revenue** | | | | | | | | |
| Sale of goods and services | 5,991 | 232 | 23,116 | 26,986 | 168,624 | 167,199 | 197,731 | 194,417 |
| Investment revenue | 2,907 | 1,444 | 510 | 47 | 1,298 | 2,605 | 4,715 | 4,096 |
| Retained taxes, fines and fees | 4,423 | 4,323 | - | - | - | - | 4,423 | 4,323 |
| Grants and contributions | 8,162 | 6,003 | 1,135 | - | 165 | 220 | 9,462 | 6,223 |
| Other revenue | 5,736 | 3,522 | 4,045 | 263 | 4 | - | 9,785 | 3,785 |
| **Total Revenue** | **27,219** | **15,524** | **28,806** | **27,296** | **170,091** | **170,024** | **226,116** | **212,844** |
| Gain/(Loss) on disposal | - | (2,671) | 51 | (2) | (4) | (2) | 47 | (2,675) |
| Other gains/(losses) | (492) | (209) | (170) | - | (186) | (141) | (848) | (350) |
| **Net Cost of Services** | **50,163** | **57,255** | **180** | **1,141** | **(4,683)** | **(19,909)** | **45,660** | **38,487** |
| Government Contributions**** | | | | | 70,953 | 68,950 | 70,953 | 68,950 |
| **NET EXPENDITURE/(INCOME) FOR THE YEAR** | **50,163** | **57,255** | **180** | **1,141** | **(75,636)** | **(88,859)** | **(25,293)** | **(30,463)** |
| **AGENCY'S ASSETS AND LIABILITIES** | | | | | | | | |
| **Current Assets** | | | | | | | | |
| Cash and cash equivalents | 21 | 20 | 1,311 | 449 | 40,794 | 48,883 | 42,126 | 49,352 |
| Receivables | 4,027 | 5,068 | 7,542 | 8,764 | 10,506 | 9,084 | 22,075 | 22,916 |
| Inventories | - | - | 130 | 107 | 149 | 204 | 279 | 311 |
| Other financial assets | 6,031 | 5,642 | - | - | - | - | 6,031 | 5,642 |
| Other | - | - | 576 | - | - | - | 576 | - |
| Non-current assets held for sale | - | - | - | - | - | - | - | - |
| **Total current assets** | **10,079** | **10,730** | **9,559** | **9,320** | **51,449** | **58,171** | **71,087** | **78,221** |
| **Non-current assets** | | | | | | | | |
| Receivables | - | - | 41 | 12 | - | - | 41 | 12 |
| Inventories | - | - | - | - | 1,513 | 1,571 | 1,513 | 1,571 |
| Other financial assets | 20,986 | 19,726 | - | 814 | - | - | 20,986 | 20,540 |
| Property, plant and equipment | 38,170 | 39,137 | 25,819 | 17,862 | 95,402 | 83,311 | 159,391 | 140,310 |
| Intangibles | 538 | 1,378 | - | - | 30,066 | 30,461 | 30,604 | 31,839 |
| Prepaid superannuation | - | - | - | 962 | - | 6,055 | - | 7,017 |
| **Total non-current assets** | **59,694** | **60,241** | **25,860** | **19,650** | **126,981** | **121,398** | **212,535** | **201,289** |
| **TOTAL ASSETS** | **69,773** | **70,971** | **35,419** | **28,970** | **178,430** | **179,569** | **283,622** | **279,510** |

*SUPPLEMENTARY FINANCIAL STATEMENTS SERVICE GROUP STATEMENTS* FOR THE YEAR ENDED 30 JUNE 2009 cont.*

| | Service group 1** | | Service group 2** | | Not attributable | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008*** $'000 | 2009 $'000 | 2008*** $'000 | 2009 $'000 | 2008*** $'000 | 2009 $'000 | 2008 $'000 |
| **Current liabilities** | | | | | | | | |
| Payables | (2,307) | (1,484) | 6,782 | 7,171 | 25,692 | 38,048 | 30,167 | 43,735 |
| Borrowings | 1,627 | 1,550 | - | 5 | - | - | 1,627 | 1,555 |
| Provisions | 5,613 | 5,202 | 6,164 | 5,615 | 49,381 | 43,516 | 61,158 | 54,333 |
| Other | - | 887 | - | 81 | 21 | - | 21 | 968 |
| **Total current liabilities** | **4,933** | **6,155** | **12,946** | **12,872** | **75,094** | **81,564** | **92,973** | **100,591** |
| **Non-current liabilities** | | | | | | | | |
| Borrowings | 6,818 | 8,233 | - | 3,153 | - | - | 6,818 | 11,386 |
| Provisions | 234 | 1 | 6,401 | 1,094 | 136,474 | 13,428 | 143,109 | 14,523 |
| **Total non-current liabilities** | **7,052** | **8,234** | **6,401** | **4,247** | **136,474** | **13,428** | **149,927** | **25,909** |
| **TOTAL LIABILITIES** | **11,985** | **14,389** | **19,347** | **17,119** | **211,568** | **94,992** | **242,900** | **126,500** |
| **NET ASSETS** | **57,788** | **56,582** | **16,072** | **11,851** | **(33,138)** | **84,577** | **40,722** | **153,010** |

* NSW Budget Paper No. 3 has replaced program statements with service group statements. Service group statements focus on the key measure of service delivery performance. The former program statements align exactly with the new service group statement.

** The names and purposes of each service group are summarised in note 9.

*** Comparative amounts have been reclassified to align with the change in focus from programs to service groups as required.

**** Appropriations are made on a Department basis and not by individual service groups. Consequently Government contributions must be included in the 'Not Attributable' column (which also includes the Land and Property Information commercial activity).

| | Service group 1** | | Service group 2** | | Not attributable | | Total | |
|---|---|---|---|---|---|---|---|---|
| **ADMINISTERED EXPENSES AND INCOME** | 2009 $'000 | 2008*** $'000 | 2009 $'000 | 2008*** $'000 | 2009 $'000 | 2008*** $'000 | 2009 $'000 | 2008 $'000 |
| **Administered expenses** | | | | | | | | |
| Other | 72,505 | 165,634 | - | - | - | - | 72,505 | 165,634 |
| **Total administered expenses** | **72,505** | **165,634** | **-** | **-** | **-** | **-** | **72,505** | **165,634** |
| **Administered income** | | | | | | | | |
| Transfer receipts | 81,168 | 151,142 | - | - | - | - | 81,168 | 151,142 |
| **Total administered income** | **81,168** | **151,142** | **-** | **-** | **-** | **-** | **81,168** | **151,142** |
| **Administered income less expenses** | **8,663** | **(14,492)** | **-** | **-** | **-** | **-** | **8,663** | **(14,492)** |

Administered assets and liabilities are disclosed on note 30.

# SUPPLEMENTARY FINANCIAL STATEMENTS
# SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES
# FOR THE YEAR ENDED 30 JUNE 2009

| | 2009 | | | | 2008 | | | |
|---|---|---|---|---|---|---|---|---|
| | Recurrent Appropriation $'000 | Expenditure/ Net Claim on Consolidated Fund $'000 | Capital Appropriation $'000 | Expenditure/ Net claim on Consolidated Fund $'000 | Recurrent Appropriation $'000 | Expenditure/ Net claim on Consolidated Fund $'000 | Capital Appropriation $'000 | Expenditure/ Net claim on Consolidated Fund $'000 |
| **ORIGINAL BUDGET APPROPRIATION/EXPENDITURE** | | | | | | | | |
| - Appropriation Act | 62,971 | 62,971 | 628 | 628 | 60,680 | 59,889 | 1,431 | 581 |
| - Additional Appropriations | - | - | - | - | - | - | - | - |
| - s21A PF&AA – special appropriation | - | - | - | - | - | - | - | - |
| - s24 PF&AA – transfers of functions between departments | - | - | - | - | 520 | 520 | - | - |
| - s26 PF&AA – Commonwealth specific purpose payments | - | - | - | - | - | - | - | - |
| **OTHER APPROPRIATIONS/ EXPENDITURE** | | | | | | | | |
| - Treasurer's Advance | 2,683 | 2,683 | - | - | 7,429 | 3,263 | - | - |
| - Section 22 – expenditure for certain works and services | - | - | - | - | - | - | - | - |
| - Transfers to/from another agency (s31 of the Appropriation Act) | (21) | (21) | - | - | 558 | 477 | - | - |
| **Total Appropriations Expenditure/ Net Claim on Consolidated Fund (Includes transfer payments)** | **65,633** | **65,633** | **628** | **628** | **69,187** | **64,149** | **1,431** | **581** |
| **Amount drawn down against Appropriation** | | **65,654** | | **628** | | **65,117** | | **581** |
| **Liability to Consolidated Fund *** | | **21** | | **-** | | **968** | | **-** |

**Notes**

The summary of compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed).

* The 'Liability to Consolidated Fund' represents the difference between the 'Amount drawn down against Appropriation' and the 'Total Expenditure/Net Claim on Consolidated Fund'.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. Reporting entity

The Department of Lands (the Department), as a reporting entity, was created on 2 April 2003, following an administrative restructure. It is responsible for the provision of land and property related spatial information, the management of Crown lands and the provision of soil conservation and land management services. The land and property information activities are operated as a non budget-dependent activity through Land and Property Information division (LPI). The semi-commercial conservation and land management services are operated through Soil Conservation Service division (SCS). The management of Crown land is operated through budget dependent Crown Lands division (CLD), whom also administer two entities within the Crown Entity, namely the Crown Leaseholds Entity (CLE) and Land Development Working Account (LDWA). This financial report does not include the results of the Crown Entity entities administered by the Department, which are reported elsewhere. The Department primarily operates in New South Wales, Australia. The head office is located at 1 Prince Albert Road, Queens Square, Sydney NSW 2000.

In the process of preparing the consolidated financial report for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances, have been eliminated.

The Department is a NSW Government Department and is a not-for-profit entity (as profit is not its principal objective). It has no cash generating units. The Department is consolidated as part of the NSW Total State Sector Accounts.

This consolidated financial report for the year ended 30 June 2009 has been authorised for issue by the Chief Executive Officer on 20 October 2009.

### b. Basis of preparation

The Department's financial report is a general purpose financial report, which has been prepared on an accrual basis in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Regulation 2005*
- the financial reporting directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Property, plant and equipment, investment property and financial assets at 'fair value through profit or loss' and available for sale, are measured at fair value. Non-current assets available for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Other financial report items are prepared in accordance with historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### c. Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### d. Administered activities

The Department administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of the Department's own objectives.

Transactions and balances relating to the administered activities are not recognised as the Department's revenues, expenses, assets and liabilities, but are disclosed in the administered notes 29 to 32.

The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of the administered activities.

### e. Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with the NSW Treasury's mandate to general government sector agencies.

### f. Insurance

The Department's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for government agencies. The expense (premium) is determined by the fund manager based on past claim experience.

### g. Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except that:

- GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the acquisition cost of an asset, or as part of an item of expense
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to the taxation authority, is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

### h. Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income follow.

*(i) Parliamentary appropriations and contributions*

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenue when the Department obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions are normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue. This liability is disclosed in note 21 as part of *Current liabilities – other.* The amount will be repaid and the liability will be extinguished in the next financial year.

*(ii) Sale of goods*

Revenue from the sale of goods is recognised as revenue when the Department transfers the significant risks and rewards of ownership of the assets.

*(iii) Rendering of services*

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

*(iv) Investment revenue*

Interest revenue is recognised using the effective interest method as set out in *AASB 139 Financial Instruments: Recognition and Measurement*. Rental revenue is recognised in accordance with *AASB 117 Leases* on a straight-line basis over the lease term. Royalty revenue is recognised in accordance with *AASB 118 Revenue* on an accrual basis in accordance with the substance of the relevant agreement.

### i. Assets

*(i) Acquisition of assets*

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Department. Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost or for nominal consideration are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

*(ii) Capitalisation thresholds*

Property, plant and equipment and intangible assets costing $5,000 and above individually are capitalised. Individual items of computer equipment costing $1,000 and above are capitalised when they form part of a network.

*1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | I. ASSETS cont.*

*(iii) Revaluation of property, plant and equipment*

Physical non-current assets are valued in accordance with the TPP 07-1 *Valuation of Physical Non-Current Assets at Fair Value Policy* and Guidelines Paper. This policy adopts fair value in accordance with *AASB 116 Property, Plant and Equipment* and *AASB 140 Investment Property*.

Except for certain heritage assets, property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use. Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Department re-values each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Department's land and buildings were individually re-valued at 30 June 2006, adjusted by an indexation factor at 30 June 2009.

The Tweed River Sand Bypass infrastructure was re-valued as at 30 June 2007, based on an independent assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being re-valued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not for-profit entity, revaluation increments and decrements are offset against one another within the same class of non-current assets but not otherwise.

Where an asset that has previously been re-valued, is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

*(iv) Impairment of property, plant and equipment*

As a not-for-profit entity with no cash generating units, the Department is effectively exempt from *AASB 136 Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

*(v) Depreciation of property, plant and equipment*

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets, so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Department.

All material separately identifiable components of assets are depreciated over their shorter useful lives. The normal life expectancies of major asset categories are as follows.

| Asset class | Number of years |
|---|---|
| Computers | 4 |
| Motor vehicles | 5 |
| Marine craft | 5 |
| Plant and equipment | 5-15 |
| Furniture and major fitouts | 10 |
| Buildings | 40 |
| Infrastructure systems | 50 |
| Leasehold improvements | Life of lease |
| Heritage buildings | Indefinite |

Land is not a depreciable asset. Certain heritage assets have an extremely long useful life, including heritage buildings. Depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

*(vi) Major inspection costs*

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

*(vii) Maintenance*

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

*(viii) Leased assets*

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense. The Department does not have any finance leases. Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

*(ix) Intangible assets*

The Department recognises intangible assets only if it is probable that future economic benefits will flow to the agency and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Development costs are only capitalised when certain criteria are met. Internally developed software costs that are directly associated with the production of identifiable and unique software products controlled by the Department and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development, employee costs and an appropriate portion of relevant overheads. Costs associated with maintaining computer software are recognised as expenses as incurred.

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for intangible assets, the assets are carried at cost less any accumulated amortisation.

The Department's intangible assets are amortised using the straight line method over a period of four years, for software and internally developed software. In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units, the Department is effectively exempted from impairment testing.

*(x) Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Operating Statement when impaired or derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

*(xi) Inventories*

Inventories held for distribution are stated at the lower of cost and current replacement cost. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. In the case of raw materials and spare parts, cost is assigned on the basis of weighted average method. Work-

in-progress cost is determined by specific identification method and includes direct materials, direct labour and an appropriate proportion of overheads determined by reference to the percentage completed on each contract.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the Department would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

*(xii) Impairment of financial assets*

All the financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Department will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the Operating Statement.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the Operating Statement, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the Operating Statement.

Any reversals of impairment losses are reversed through the Operating Statement, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as 'available for sale' must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

*(xiii) Derecognition of financial assets and financial liabilities*

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire; or
- the Department transfers the financial asset, where substantially all the risks and rewards have been transferred; or if the Department has not transferred substantially all the risks and rewards, the Department has not retained control.

Where the Department has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Department's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

*(xiv) Non-current assets (or disposal groups) held for sale.*

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management is committed to the sale of these assets which are expected to be sold within one year.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

*(xv) Other financial assets*

The zero and low interest loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value and amortised cost thereafter in accordance with *AASB 139 Financial Instrument: Reorganisation and Measurement*. The fair value of the long term loans are estimated as the present value of all future cash receipts, discounted using the Commonwealth Government bond rate at the commencement date of the loans, for the relevant term of the loans. Any changes are accounted for in the Operating Statement when impaired, derecognised or through the amortisation process.

*(xvi) Other assets*

Other assets are recognised on a cost basis.

*(xvii) Restricted assets*

Legislation or Treasury directions impose restrictions on the use of certain assets of the Department.

The Department administers the PRMF which provides funds for the development, maintenance and protection of Crown land reserves throughout NSW. Crown land reserves are generally managed by reserve trusts which are incorporated bodies administered by local government councils, volunteer boards or other responsible organisations such as Rural Lands Protection Boards. The PRMF was established by the *Public Reserves Management Fund Act 1987*. (refer to note 17a)

The Department administers the Torrens Assurance Fund. The Torrens Assurance Fund was established under s134 (1) of the *Real Property Act 1900* as a Special Deposit Account administered by the Registrar-General (refer to note 17b).

**j. Liabilities**

*(i) Payables*

These amounts represent liabilities for goods and services provided to the Department and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

*(ii) Borrowings*

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest method. Gains or losses are recognised in the operating statement on de-recognition.

*(iii) Employee benefits and other provisions*

(a) Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts, based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with *AASB 119 Employee Benefits*. Market yields on government bonds of 4.01% as at 30 June 2009 are used to discount long-term annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(b) Long service leave and superannuation

The Department's liabilities (apart from the commercial and semi-commercial activities) for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Department accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

The Department's long service leave (apart from the commercial and semi-commercial activities) is measured at present value in accordance with *AASB 119 Employee Benefits*. This is based on the application of certain factors (specified by NSW Treasury Circular TC 09/04 – Accounting for Long Service Leave and Annual Leave) to employees with five or more years of service using current rates of pay. These factors were determined based on an actuarial review undertaken to approximate present value.

The Department's semi-commercial activity (SCS) is a member of the non-budget long service leave (LSL) pool. The Department makes long service leave liability contributions to the NSW Treasury Special Deposits Account. This contribution discharges its liability for long service leave and is expensed as incurred. The Department is reimbursed by NSW Treasury for long service leave payments made. SCS's long service leave liability and equivalent asset are recognised in the Balance Sheet at nominal value. Consistent with NSW Treasury TC04/02 reimbursement from the Non-Budget LSL pool is 'virtually certain' and satisfies criteria for recognition as a separate asset. The nominal value is based on employees with five or more years of service using current rates of pay. An actuarial review has confirmed that there is no material difference between the present value and the nominal value.

The Department's commercial (LPI) activity's

liability for long service is measured at present value in accordance with AASB 119. The present value is based on the application of the valuation ratio at the Commonwealth government bond rate at the reporting date to employees with five or more years of service, using expected future rates of pay. This ratio is determined based on a periodical actuarial review to approximate present value. The actuarial review was conducted in January 2009 and is applicable to years 2009 through 2012.

Where the Department does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

The superannuation expense for the Department's budget dependent areas are determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

The Department's commercial (LPI) and semi-commercial (SCS) activities are responsible for employee superannuation entitlements under defined contribution plans and defined benefit plans.

Contributions to defined contribution superannuation plans are expensed when incurred. For defined benefit plans, the actuarial valuations are carried out at each reporting date by Pillar Administration using the projected unit credit method. Actuarial gains and losses are recognised directly in equity in the period in which they occur, as per NSW Treasury's mandate. This change in Accounting Policy was introduced with effect from 1 July 2008 through NSW Treasury Circular 09/01. Refer to note 1(k) for more details.

The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs, net of the fair value of the plan assets.

*(iv) Other provisions*

Other provisions exist when the Department has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when the Department has a detailed formal plan and has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at 5.515%, which is a pre-tax rate as at 30 June 2009 that reflects the current market assessments of the time value of money and the risks specific to the liability.

### k. Change in Accounting Policy

According with NSW Treasury policy, the Department has changed its policy on the recognition of superannuation actuarial gains and losses. Such actuarial gains and losses are now recognised outside of profit or loss, in the 'statement of recognised income and expense'. Previously actuarial gains and losses were recognised through profit or loss. Both options are permissible under *AASB* 119 *Employee Benefits*.

The change in policy has been adopted on the basis that recognition outside profit or loss provides reliable and more relevant information as it better reflects the nature of actuarial gains and losses. This is because actuarial gains/losses are re-measurements, based on assumptions that do not necessarily reflect the ultimate cost of providing superannuation.

Recognition outside profit or loss also harmonises better with the Government Finance Statistics/GAAP comprehensive income presentation for the whole of Government and general government sector, required under *AASB* 1049 *Whole of Government and General Government Sector Financial Reporting*. A comprehensive income presentation will also be available at entity level from 2009/10 under *AASB 101 Presentation of Financial Statements*.

The change in accounting policy increases 2009 'surplus/(deficit) for the period' from $(119.304m) to $25.314m (2008: from $(23.264m) to $30.463m) by excluding from profit the superannuation actuarial loss line item 2009 $144.618m, (2008: $53.727m). The superannuation actuarial loss is now recognised in the 'Statement of Recognised Income and Expense' rather than the 'Operating Statement'.

### l. Contribution to Consolidated Fund

The Department operates a commercial activity through Land and Property Information NSW (LPI). From this operation the Department pays income tax equivalents and contributions to the Consolidated Fund. Tax effect accounting is not required to be applied. Income tax is calculated by applying the prevailing company tax rate to profits earned by LPI after adjusting for any superannuation income or expenses recognised in Operating Statement and cash paid to defined superannuation plans. The contributions to the Consolidated Fund are paid at the rate of 100% of after tax adjusted profit, in two instalments in August and December.

### m. Reclassification and correction of prior period errors

The 2008 comparative information has been revised to reflect reclassifications in accordance with *AASB 108 Accounting Polices, Changes in Accounting Estimates and Errors*. AASB 108 requires the correction of prior period information retrospectively, subject to certain limitations, to permit comparability with the current year. The retrospective adjustment occurs by restating the comparative amount in the prior period, or, if the event occurred before the earliest prior period presented, by restating the opening balances of assets, liabilities, and equity for the earliest prior period presented.

Note 23 of this report includes the 2008 financial statements with the items affected by reclassifications. Explanations of the differences to the amounts reported in the audited 2008 Department of Lands financial statements are shown.

### n. Budgeted amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year with any adjustments for the effects of additional appropriations, s 21A, s 24 and/or s 26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Operating Statement and the Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However in the Balance Sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts. That is, as per the audited financial statements, rather than carried forward estimates.

### o. New Australian Accounting Standards issued but not effective

The Department of Lands financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

The following new Accounting Standards and Interpretations have not been applied and are not yet effective for the period ending 30 June 2009. NSW Treasury TC09/03 has mandated that agencies do not early adopt any of the new standards or interpretations.

- AASB 3 *Business Combinations* (issued March 2008).
- AASB 8 *Operating Segments* (issued February 2007).
- AASB 101 *Presentation of financial statements* (issued September 2007).
- AASB 123 *Borrowing costs* (issued June 2007).
- AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123* (issued June 2007).
- AASB 127 *Consolidated and Separate Financial Statements* (issued March 2008).
- AASB 1039 *Concise Financial Reports* (issued August 2008).
- AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (issued February 2007).
- AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (issued September 2007).
- AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101* (issued December 2007).
- AASB 2008-1 *Amendments to Australian Accounting Standard – Share based Payments: Vesting Conditions and Cancellations [AASB 2]* (issued February 2008).
- AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial*

*1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | O. NEW AUSTRALIAN ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE cont.*

*Instruments and Obligations arising on Liquidation* (issued March 2008).

- AASB 2008-3 *Amendments to Australian Accounting Standards and Interpretations arising from AASB 3 and AASB 127* (issued March 2008).
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Process Project* (issued July 2008).
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (issued July 2008).
- AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (issued July 2008).
- AASB 2008-8 *Amendments to Australian Accounting Standards – Eligible Hedged Items* (issued August 2008).
- AASB 2008-9 *Amendments to AASB 1049 for consistency with AASB 101* (issued September 2008).
- AASB 2008-11 *Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities* (issued November 2008).
- AASB 2009-1 *Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities* (issued April 2009).
- AASB 2009-2 *Amendments to Australian Accounting Standards Improving Disclosures about Financial Instruments* (issued April 2009).
- Interpretation 15 *Agreements for the Construction of Real Estate* (issued August 2008).
- Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* (issued August 2008).
- Interpretation 17 *Distributions of Non-Cash Assets to Owners* (issued December 2008) and *AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners* (issued December 2008).
- Interpretation 18 *Transfers of Assets from Customers* (issued March 2009).

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial statements of the Department.

## 2. EXPENSES EXCLUDING LOSSES

### a. Employee related expenses

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Salaries and wages (including Recreation Leave) | 120,496 | 109,927 |
| Superannuation – defined benefit plans | 1,302 | (1,417) |
| Superannuation – defined contribution plans | 4,471 | 3,692 |
| Long service leave | 10,297 | 7,427 |
| Workers compensation insurance | 995 | 791 |
| Payroll tax and fringe benefits tax | 7,902 | 7,872 |
| Redundancies | 273 | 471 |
| Other on-costs | 497 | 142 |
| | **146,233** | **128,905** |

In addition to the $146.233m (2008 - $128.9m), $0.763m (2008 - $0.808m) was incurred in employee related expenses in respect of the Tweed River Sand Bypass project directly undertaken and/or managed by the Department. $3.705m (2008 - $3.642m) of salaries and wages were capitalised as part of a project for the titling system.

### b. Other operating expenses

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Valuation services contractors | 18,880 | 17,721 |
| Operating lease rental expense - minimum lease payments | 3,243 | 2,904 |
| Cleaning and Utilities | 2,154 | 2,118 |
| EDP – Information Technologies Services | 4,658 | 3,903 |
| Furniture, plant and equipment | 535 | 816 |
| Cost of sales | 2,847 | 3,142 |
| Consultancies and Other Contractors | 17,171 | 16,740 |
| Promotion, publicity and events management | 899 | 851 |
| Travel expenses | 1,880 | 1,868 |
| Telecommunication expenses | 2,272 | 2,315 |
| Motor vehicle expenses | 8,559 | 8,870 |
| Insurance | 1,717 | 1,653 |
| Audit of financial reports | 282 | 305 |
| Freight and postage | 947 | 1,026 |
| Legal fees | 288 | 259 |
| Staff development and other costs | 1,702 | 1,522 |
| Administration | 2,751 | 2,182 |
| Taxes | 5,383 | 9,931 |
| Maintenance* | 2,827 | 2,834 |
| Other | 1,118 | 1,045 |
| | **80,113** | **82,005** |

The audit fee for the audit of the Department's and LPI's 2009 financial reports is $276,000 (2008 - $286,000) excluding GST.

*2. EXPENSES EXCLUDING LOSSES | B. OTHER OPERATING EXPENSES cont.*

- **Reconciliation of maintenance expenses:**

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Maintenance expenses – contracted labour and other (non-employee related), as above | 2,827 | 2,834 |
| Maintenance related employee expenses included in note 2(a) | 281 | 331 |
| **Total maintenance expenses included in note 2(a) and 2(b)** | **3,108** | **3,165** |

In addition to the $80.113m (2008 - $82.005m) $5.996m (2008 - $4.245m) was incurred in other expenses in respect of the Tweed River Sand Bypass project managed by the Department.

**c. Depreciation and amortisation expense**

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Depreciation of: | | |
| Buildings and Leasehold Improvements | 857 | 591 |
| Plant and Equipment | 5,244 | 5,038 |
| Infrastructure Systems | 658 | 658 |
| **Total depreciation** | **6,759** | **6,287** |
| Amortisation of Intangible Assets | 11,824 | 10,264 |
| | **18,583** | **16,551** |

The Queens Square building in Sydney and seven other buildings in country NSW are classified as heritage buildings. During 2007, the residual value, useful life and depreciation method of these heritage buildings were reviewed, in accordance with AASB 116 *Property, Plant and Equipment*. The useful lives were determined to be indefinite, in line with the intention of NSW Treasury TPP 07-1 *Valuation of Physical Non-Current Assets at Fair Value*. Depreciation is therefore no longer recognised for these buildings.

**d. Grants and subsidies**

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Public Reserve Management Fund | 2,638 | 3,590 |
| CTC grant | 1,096 | - |
| Wild Dog Destruction Board Grant | 1,228 | 1,570 |
| State Park Trusts | 1,491 | 1,451 |
| Other | 4,484 | 2,560 |
| | **10,937** | **9,171** |

**e. Finance costs**

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Interest | 714 | 874 |
| Unwinding of discount rate | 109 | 51 |
| | **823** | **925** |

The $714K interest expense (2008 - $874K), relates to borrowing costs (2008 - $833K) for the Tweed River Sand Bypass project managed by the Department.

**f. Other expenses**

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Fishing Port Maintenance | 2,626 | 2,360 |
| Tweed River Sand Bypass project | 6,759 | 5,054 |
| Waterways Maintenance | - | 16 |
| Torrens Assurance Fund | 4,780 | 2,343 |
| Minor Dams Expenditure | 121 | 976 |
| | **14,286** | **10,749** |

## 3. REVENUE

### a. Sale of goods and services

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Sales of goods** | | |
| Mapping | 2,780 | 3,068 |
| Other | 20 | 25 |
| | **2,800** | **3,093** |
| **Rendering of services** | | |
| Title | 123,219 | 123,092 |
| Valuation | 37,870 | 35,297 |
| Torrens Assurance Fund | 2,917 | 3,196 |
| Fees for services | 3,208 | 1,978 |
| SCS services | 22,819 | 23,171 |
| Search Fees | 290 | 406 |
| Agistment Fees | 58 | 485 |
| Other | 4,550 | 3,699 |
| | **194,931** | **191,324** |
| **Total Sale of goods and services** | **197,731** | **194,417** |

### b. Investment revenue

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Interest revenue from financial assets not at fair value through profit or loss | 1,320 | 295 |
| Interest from Treasury | 2,086 | 2,727 |
| PRMF loan interest | 1,156 | 944 |
| Rents | 153 | 130 |
| | **4,715** | **4,096** |

### c. Retained taxes, fees and fines

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Caravan Park Levy | 4,423 | 4,323 |
| | **4,423** | **4,323** |

### d. Grants and contributions

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Grants and contributions | 5,988 | 3,783 |
| Tweed River Sand Bypass project – Queensland Government's contribution | 3,474 | 2,440 |
| | **9,462** | **6,223** |

The Tweed River Sand Bypass project is a joint operation of the NSW Government and the Queensland Government. NSW Government owns 75% of the project and 25% is owned by the QLD Government.

### e. Other revenue

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Crown conversion project income | 5,344 | 2,971 |
| Diesel Fuel Rebate | 609 | 162 |
| SCS loan forgiven | 3,159 | - |
| Other revenue | 673 | 652 |
| | **9,785** | **3,785** |

The loan from Treasury of $3.159m to the Soil Conservation Service was written off in June 2009. (Refer note 19)

## 4. GAIN/(LOSS) ON DISPOSAL

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Gain/(loss) on disposal of land and buildings** | | |
| Proceeds from disposal | 93 | - |
| Written down value of assets disposed | (53) | - |
| Net (loss) on disposal of land and buildings | **40** | **-** |
| | | |
| **Gain/(loss) on disposal of plant and equipment** | | |
| Proceeds from disposal | 136 | 154 |
| Written down value of assets disposed | (129) | (2,829) |
| Net (loss) on disposal of plant and equipment | **7** | **(2,675)** |
| | | |
| **Net (loss) on disposal of Non-Current Assets** | **47** | **(2,675)** |

With the NSW Treasury's approval, $2.671m of previously capitalised minor dams construction costs were written off in 2008.

## 5. OTHER GAINS/(LOSSES)

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Impairment of receivables | (373) | (89) |
| Impairment of PRMF loan | (475) | (261) |
| | **(848)** | **(350)** |

## 6. APPROPRIATIONS

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Recurrent Appropriations** | | |
| Total recurrent draw-downs from NSW Treasury (per Summary of Compliance) | 65,654 | 65,117 |
| Less: Liability to Consolidated Fund (per Summary of Compliance) | (21) | (968) |
| | **65,633** | **64,149** |
| | | |
| Comprising: | | |
| Recurrent appropriations (per Operating Statement) | 65,633 | 64,149 |
| | **65,633** | **64,149** |
| | | |
| **Capital Appropriations** | | |
| Total capital draw-downs from NSW Treasury (per Summary of Compliance) | 628 | 581 |
| Less: Liability to Consolidated Fund (per Summary of Compliance) | - | - |
| | **628** | **581** |
| | | |
| Comprising: | | |
| Capital appropriations (per Operating Statement) | 628 | 581 |
| | **628** | **581** |

## 7. INDIVIDUALLY SIGNIFICANT ITEMS

There are no individually significant items.

## 8. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

The following liabilities and/or expenses have been assumed by the Crown Entity**:**

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Superannuation | 2,033 | 1,580 |
| Long service leave | 2,540 | 2,545 |
| Payroll tax on superannuation | 119 | 95 |
| | **4,692** | **4,220** |

## 9. SERVICE GROUPS OF THE DEPARTMENT

**a. Service group 1 – Crown Lands**

**Objectives:** This service group covers managment of the Crown land estate. Services include land administration in relation to leaseholds, licences, permits, Crown roads, acquisitions, sales, non commercial tenures, the Land Board, processing Aboriginal and Native Title land claims. They also include Crown reserves administartion including recreational areas, walking tracks, showgrounds and caravan parks.

**b. Service group 2 – Soil Conservation Service and Rural Services**

**Objectives:** This service group covers provision of a specialist consulting service and a soil and water conservation earthworks team. It also supports the operations of the Rural Communities Consulatative Council (RCCC) and implements programs to assist rural communities.

**c. Not Attributable**

The 'not attributable' group includes government appropriations to the Department, as well as the commercial activities of Land and Property Information New South Wales (LPI). LPI Objectives are explained below.

**LPI Objectives:** Land and Property Information (LPI) manages the State's land and property registration system, mapping, survey and land valuation services. LPI is a commercial business division within the Department of Lands.

## 10. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Cash at bank and on hand | 42,126 | 49,352 |
| **Closing Cash and Cash Equivalents** | **42,126** | **49,352** |

For the purpose of the Cash Flow Statement, cash and cash equivalents includes cash on hand and cash at bank.

Cash and cash equivalent assets recognised in the Balance Sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows.

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Cash at bank and on hand (per balance sheet) | 42,126 | 49,352 |
| **Closing Cash and Cash Equivalents (per Cash Flow Statement)** | **42,126** | **49,352** |

## 11. CURRENT/NON-CURRENT ASSETS – RECEIVABLES

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Current Receivables** | | |
| Sale of goods and services | 10,797 | 8,786 |
| Less: Allowance for impairment | (270) | (204) |
| Accrued income – Sale of goods and services | 3,277 | 4,740 |
| GST receivable | 671 | 1,574 |
| Retained taxes, fees and fines | 45 | 82 |
| Interest Receivable | 1,029 | 2,006 |
| Long Service Leave (note 20) | 4,093 | 4,072 |
| Prepayments | 1,709 | 1,773 |
| Other | 724 | 87 |
| | **22,075** | **22,916** |
| **Non-Current Receivables** | | |
| Long Service Leave (note 20) | 41 | 12 |
| | **41** | **12** |
| **Movement in the Allowance for Impairment** | | |
| Balance at 1 July | (204) | (382) |
| Amounts written off during the year | 307 | 267 |
| Increase/(decrease) in allowance recognised in profit or loss | (373) | (89) |
| **Balance as at 30 June** | **(270)** | **(204)** |

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in note 33.

## 12. CURRENT/NON-CURRENT ASSETS – INVENTORIES

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Current Inventories** | | |
| At Cost | | |
| Goods for resale | 150 | 204 |
| Consumables and spare parts | 129 | 107 |
| | **279** | **311** |
| **Non-Current Inventories** | | |
| At Cost | | |
| Goods for resale | 1,513 | 1,571 |
| | **1,513** | **1,571** |

Goods for resale (map stocks) are split 9% (2008 – 11.5%) current which is expected to be sold within the twelve months after the reporting date and 91% (2008 – 88.5%) non-current. The split is based on the entity's normal operating cycle.

There was no write down of inventories during the financial year ended 30 June 2009 (2008 - Nil).

## 13. CURRENT/NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Current other Financial assets** | | |
| PRMF low interest loan to be paid within 12 months (a) | 6,538 | 6,009 |
| Less: Allowance for impairment | (507) | (367) |
| | **6,031** | **5,642** |
| **Non-Current other financial assets** | | |
| PRMF low interest loan to be repaid more than 12 months (a) | 20,986 | 19,726 |
| Investment in PSMA Ltd (b) | - | 814 |
| | **20,986** | **20,540** |

(a) The Public Reserves Management Fund (PRMF) provides low interest loans to Crown land reserves with terms ranging from 5 years to 20 years. They are initially recognised at fair value and amortised cost thereafter. (Refer note 1 i (xv) Other financial assets)

(b) The Deparment represents the NSW Government on the Board of PSMA Ltd. The Department holds one share, but does not have control or significant influence on the policy and operations of PSMA Ltd. The investment is disclosed at the cost of one dollar.

## 14. NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Assets held for sale** | | |
| Land and Buildings | 576 | - |
| **Total** | **576** | **-** |
| Liabilities associated with assets held for sale | - | - |
| | **-** | **-** |
| **Amounts recognised in equity relating to assets held for sale** | | |
| Property, Plant and Equipment asset revaluation increments/decrements | - | - |
| Available-for-sale financial asset revaluation increments/decrements | - | - |
| | **-** | **-** |

Four properties of the Department's Soil Conservation Service division are identified as being held for sale as at reporting date. These properties are currently being actively marketed for sale and are expected to be sold within 12 months. These assets are surplus to current business operational requirements. Disposal of these assets is part of a government approved business revitalisation strategy.

## 15. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

| | Land and Buildings $'000 | Plant and Equipment $'000 | Infrastructure Systems $'000 | Total $'000 |
|---|---|---|---|---|
| **At 1 July 2008 - fair value** | | | | |
| Gross carrying amount | 94,948 | 48,907 | 32,904 | 176,759 |
| Accumulated depreciation and impairment | (1,270) | (30,408) | (4,771) | (36,449) |
| **Net carrying amount** | **93,678** | **18,499** | **28,133** | **140,310** |
| **At 30 June 2009 - fair value** | | | | |
| Gross carrying amount | 114,675 | 52,558 | 32,904 | 200,137 |
| Accumulated depreciation and impairment | (2,056) | (33,261) | (5,429) | (40,746) |
| **Net carrying amount** | **112,619** | **19,297** | **27,475** | **159,391** |

**Reconciliation**

A reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

| | | | | |
|---|---|---|---|---|
| **Year ended 30 June 2009** | | | | |
| Net carrying amount at start of the year | 93,678 | 18,499 | 28,133 | 140,310 |
| Additions | 1,216 | 6,142 | - | 7,358 |
| Disposals | (53) | (129) | - | (182) |
| Revaluation increment | 16,261 | - | - | 16,261 |
| Depreciation expense | (857) | (5,244) | (658) | (6,759) |
| Reclassification | - | - | - | - |
| Transfer to assets held for sale | (576) | - | - | (576) |
| Acquisition through Administrative restructure (note 24) | 2,950 | 29 | - | 2,979 |
| **Net carrying amount at end of year** | **112,619** | **19,297** | **27,475** | **159,391** |

| | | | | |
|---|---|---|---|---|
| **At 1 July 2007 - fair value** | | | | |
| Gross carrying amount | 86,774 | 46,656 | 30,980 | 164,410 |
| Accumulated depreciation and impairment | (680) | (28,165) | (2,189) | (31,034) |
| **Net carrying amount** | **86,094** | **18,491** | **28,791** | **133,376** |
| **At 30 June 2008 - fair value** | | | | |
| Gross carrying amount | 94,948 | 48,907 | 32,904 | 176,759 |
| Accumulated depreciation and impairment | (1,270) | (30,408) | (4,771) | (36,449) |
| **Net carrying amount** | **93,678** | **18,499** | **28,133** | **140,310** |

**Reconciliation**

A reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below.

| | Land and Buildings $'000 | Plant and Equipment $'000 | Infrastructure Systems $'000 | Total $'000 |
|---|---|---|---|---|
| **Year ended 30 June 2008** | | | | |
| Net carrying amount at start of the year | 86,094 | 18,491 | 28,791 | 133,376 |
| Additions | 3,587 | 5,241 | - | 8,828 |
| Disposals | - | (2,829) | - | (2,829) |
| Revaluation increment | - | - | - | - |
| Depreciation expense | (591) | (5,038) | (658) | (6,287) |
| Reclassification | (2,634) | 2,634 | - | - |
| Acquisition through Administrative restructure (note 24) | 7,222 | - | - | 7,222 |
| **Net carrying amount at end of year** | **93,678** | **18,499** | **28,133** | **140,310** |

## 16. INTANGIBLE ASSETS

| | Software $'000 | Total $'000 |
|---|---|---|
| **At 1 July 2008** | | |
| Cost (gross carrying amount) | 74,200 | 74,200 |
| Accumulated amortisation and impairment | (42,361) | (42,361) |
| **Net carrying amount** | **31,839** | **31,839** |
| | | |
| **At 30 June 2009** | | |
| Cost (gross carrying amount) | 84,789 | 84,789 |
| Accumulated amortisation and impairment | (54,185) | (54,185) |
| **Net carrying amount** | **30,604** | **30,604** |
| | | |
| **Year ended 30 June 2009** | | |
| Net carrying amount at start of year | 31,839 | 31,839 |
| Additions: | | |
| - externally acquired | 601 | 601 |
| - internally developed | 9,988 | 9,988 |
| Reclassification | - | - |
| Amortisation expense | (11,824) | (11,824) |
| **Net carrying amount at end of year** | **30,604** | **30,604** |
| | | |
| **At 1 July 2007** | | |
| Cost (gross carrying amount) | 62,967 | 62,967 |
| Accumulated amortisation and impairment | (32,097) | (32,097) |
| **Net carrying amount** | **30,870** | **30,870** |
| | | |
| **At 30 June 2008** | | |
| Cost (gross carrying amount) | 74,200 | 74,200 |
| Accumulated amortisation and impairment | (42,361) | (42,361) |
| **Net carrying amount** | **31,839** | **31,839** |
| | | |
| **Year ended 30 June 2008** | | |
| Net carrying amount at start of year | 30,870 | 30,870 |
| Additions | | |
| - externally acquired | 863 | 863 |
| - internally developed | 10,370 | 10,370 |
| Reclassification | - | - |
| Amortisation expense | (10,264) | (10,264) |
| **Net carrying amount at end of year** | **31,839** | **31,839** |

## 17. RESTRICTED ASSETS

Legislation or Treasury directions impose restrictions on the use of certain assets of the Department. As such, the following are considered to be restricted assets:

**a. Public Reserve Management Fund (PRMF)**

The Department administers the PRMF under the *Public Reserve Management Fund Act 1987* within the special deposit account in NSW Treasury called the Public Reserves Management Fund. The fund is only to be used for grants and loans allocated for the following programs.

- Caravan park levy income development works.
- Showgrounds assistance scheme.
- Local parks, reserves and walking tracks.
- Reserves of high visitation/regional significance.
- Consultancies for plans of management and business plans.
- Commercial initiatives on Crown reserves.
- Major regional recreation projects (across a number of reserves) managed by the Department of Lands.

**The following is a summary of balances in the PRMF**

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Current Assets** | | |
| Cash | 15,049 | 10,412 |
| Receivable | 1,401 | 1,217 |
| Other financial assets | 6,538 | 6,009 |
| | **22,988** | **17,638** |
| | | |
| **Non-Current Assets** | | |
| Other financial assets | 20,986 | 19,726 |
| | **43,974** | **37,364** |

*17. RESTRICTED ASSETS CONT*

**b. Torrens Assurance Fund (TAF)**

The Department operates the Torrens Assurance Fund within the Special Deposit Accounts. The fund was established under Section 134(1) of the *Real Property Act 1900*. It meets claims for loss arising out of fraud or agency error and is funded by a $4 charge on each land dealing lodged. The following is a summary of transactions in the Torrens Assurance Fund. Refer also to note 26(a) which identifies contingent liabilities relating to this fund.

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Opening cash balance | 18,407 | 17,554 |
| Add: | | |
| Revenue (refer note 3a) | 2,917 | 3,196 |
| Less: | | |
| Expenditure (refer note 2f) | (4,780) | (2,343) |
| **Cash balance at year end** | **16,544** | **18,407** |

## 18. CURRENT LIABILITIES – PAYABLES

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Accrued salaries, wages and on-costs | 3,009 | 2,683 |
| Creditors | 8,903 | 9,011 |
| Revenue received in advance | 4,491 | 5,259 |
| Contributions to Consolidated Fund (note 22) | 11,389 | 18,976 |
| Income Tax Equivalent payable | 1,974 | 5,802 |
| Payable to administed Crown entities | - | 1,659 |
| Other | 401 | 345 |
| | **30,167** | **43,735** |

The intercompany bank account is reclassified to payable from cash at bank in 2009. (Refer note 23)
Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in note 33.

## 19. CURRENT/NON-CURRENT LIABILITIES - BORROWINGS

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Current Liabilities** | | |
| Promissory note | 1,551 | 1,452 |
| Advance from NSW Treasury | 76 | 103 |
| | **1,627** | **1,555** |
| **Non-Current Liabilities** | | |
| Promissory note | 5,723 | 7,274 |
| Advance from NSW Treasury | 1,095 | 4,112 |
| | **6,818** | **11,386** |
| **Repayment of borrowings** | | |
| Not later than 1 year | 1,627 | 1,555 |
| Between 1 year and 5 years | 6,818 | 7,816 |
| Later than 5 years | - | 3,570 |
| **Total borrowings (excluding finance leases)** | **8,445** | **12,941** |

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in note 33.

The Department's borrowings include promissory notes issued by ANZ bank which are used to fund the Department's Tweed River Sand Bypass project jointly with the Queensland Government. The total face value of the promissory notes is $21m, 75% of which is recognised by the Department as borrowings. The promissory notes are repayable over a 12 year term with four quarterly repayments each year commencing from 2001.

The NSW Treasury approved a loan funding of $2m for the upgrading of the Cudgegong River Park. The funds have been advanced interest free to the PRMF and then loaned to the Cudgegong River Park Trust. Five loan instalments totalling $1,910k which are repayable over a term of ten years at an interest rate of 3% per annum have been advanced to the trust. The principal repayments made by the trust are repaid to the NSW Treasury and interest earned on the loan is retained in the PRMF. In the event of default by the trust, the PRMF would be liable for repaying any outstanding debt to the Crown.

Between 1956 and 1987, the NSW Treasury provided funds totalling $3.3m to the Soil Conservation Service for financing the purchase of replacement plant for the entity's plant hire scheme to landholders. Upon its commercialisation in the late 1980s the advance was transferred to the business operation that late became the current Soil Conservation Service. In June 2009, the NSW Treasury approved that the remaining balance $3.2m of SCS loan be written off.

## 20. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Current Provision** | | |
| **Employee benefits and related on-costs** | | |
| Recreation leave | 12,490 | 11,931 |
| Long service leave | 40,442 | 36,272 |
| Oncosts on employee benefits | 8,129 | 6,130 |
| Other | 97 | - |
| **Total Current Provisions** | **61,158** | **54,333** |
| | | |
| **Non-Current Provision** | | |
| **Employee benefits and related on-costs** | | |
| Long service leave | 299 | 127 |
| Superannuation * | 142,271 | 14,372 |
| Oncosts on employee benefits | 67 | 24 |
| **Other Provision** | | |
| Make good provision | 216 | - |
| Provision for lease incentive | 256 | - |
| **Total Non-Current Provisions** | **143,109** | **14,523** |
| | | |
| **Total Provisions** | **204,267** | **68,856** |
| | | |
| **Aggregate employee benefits and related on-costs** | | |
| Provisions – current | 61,158 | 54,333 |
| Provisions – non-current | 143,109 | 14,523 |
| Accrued salaries, wages and on-costs (note 18) | 3,009 | 2,683 |
| | **207,276** | **71,539** |
| The amount of leave liability expected to be settled: | | |
| Within the 12 months | 11,788 | 17,722 |
| After more than 12 months | 41,442 | 30,608 |
| | **53,230** | **48,330** |

* Superannuation in 2009 is classified a liability of $142.271m (2008: asset of $7.017m and a liability of $14.372m). See note 20(b).

**Movements in provisions (other than employee benefits)**

Movements in each class of provision during the financial year, other than employee benefits are set out below:

| 2009 | Make good $'000 | Lease incentive $'000 | Total $'000 |
|---|---|---|---|
| Carrying amount at the beginning of financial year | - | - | - |
| Additional provisions recognised | 259 | 266 | 525 |
| Amount used | (43) | (10) | (53) |
| **Carrying amount at the end of financial year** | **216** | **256** | **472** |

### a. Employees' long service leave liability

The Department's semi-commercial service (SCS)'s long service leave liability and the corresponding receivable from the Treasury Long Service Leave Pool are reported as follows (note 1 j (iii)b).

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Current Liability | 4,093 | 4,072 |
| Non-Current Liability | 41 | 12 |
| | **4,134** | **4,084** |
| | | |
| Current Receivable (note 11) | 4,093 | 4,072 |
| Non-Current Receivable (note 11) | 41 | 12 |
| | **4,134** | **4,084** |

*20. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS cont*

**b. Superannuation liability**

The Department's commercial and semi-commercial activities are responsible for funding the employer's superannuation liability through monthly contributions to the Department's reserve account held at the Pillar Administration. Superannuation payments to retiring employees are made out of this reserve account. Periodically the Department's reserve account balance is augmented by interest distributions made at the discretion of the Pillar Administration. The Department has no control over interest distributions. The reserve account can only be used for the settlement of superannuation liabilities.

Actuarial gains and losses are recognised in the surplus or deficit in the year they occur.

- The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:
  - State Authorities Superannuation Scheme (SASS)
  - State Superannuation Scheme (SSS)
  - State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the schemes are closed to new members.

**Superannuation position using AASB 119 basis**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Accrued liability | 44,785 | 41,178 | 20,520 | 18,825 | 432,677 | 345,185 | 497,982 | 405,188 |
| Estimated reserve account balance | (42,406) | (45,269) | (19,398) | (21,751) | (293,907) | (330,813) | (355,711) | (397,833) |
| Net (asset)/liability | 2,379 | (4,091) | 1,122 | (2,926) | 138,770 | 14,372 | 142,271 | 7,355 |
| Future Service Liability ** | (10,743) | (9,642) | (7,917) | (6,799) | (21,957) | (15,970) | (40,617) | (32,411) |
| Surplus in excess of recovery available from schemes | - | - | - | - | - | - | - | - |
| **Net (asset)/liability to be recognised in balance sheet** | **2,379** | **(4,091)** | **1,122** | **(2,926)** | **138,770** | **14,372** | **142,271** | **7,355** |

** The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119, para 58). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the total of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the 'surplus in excess of recovery' is zero, no asset ceiling limit is imposed.

The Department has two separate accounts under administration. One account for staff in the LPI operational and corporate services divisions, and the other for staff in Soil Conservation Service division. Whilst on consolidation, the net asset position is reported as stated above, in practice the surplus in excess of the future service liability in one account cannot be used to offset the deficit in other superannuation accounts. Actuarial advice was used to provide the consolidated position for the Department's reporting. The balance sheet reports the SASS, SSS and SANCS scheme liabilities of $142.3m in Non-Current Liability.

**Reconciliation of the present value of the defined benefit obligation**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Present value of partly funded defined benefit obligation at beginning of the year | 41,178 | 41,023 | 18,825 | 18,282 | 345,185 | 335,697 | 405,188 | 395,002 |
| Current service cost | 1,657 | 1,603 | 961 | 984 | 2,688 | 2,840 | 5,306 | 5,427 |
| Interest cost | 2,622 | 2,558 | 1,177 | 1,117 | 22,242 | 21,129 | 26,041 | 24,804 |
| Contributions by fund participants | 964 | 927 | - | - | 3,752 | 3,880 | 4,716 | 4,807 |
| Actuarial (gains)/losses | 525 | 1,920 | 906 | 106 | 78,090 | (2,583) | 79,521 | (4,397) |
| Benefits paid | (2,161) | (3,013) | (1,349) | (1,664) | (19,280) | (15,778) | (22,790) | (20,455) |
| **Present value of partly funded defined benefit obligation at end of the year** | **44,785** | **41,178** | **20,520** | **18,825** | **432,677** | **345,185** | **497,982** | **405,188** |

**Reconciliation of the fair value of fund assets**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Fair value of fund assets at beginning of the year | 45,269 | 41,312 | 21,751 | 19,594 | 330,813 | 367,867 | 397,833 | 428,773 |
| Expected return on fund assets | 3,659 | 3,158 | 1,743 | 1,535 | 26,676 | 28,536 | 32,078 | 33,229 |
| Actuarial gains/(losses) | (7,209) | (5,566) | (3,860) | (2,744) | (54,027) | (49,814) | (65,096) | (58,124) |
| Employer contributions | 1,884 | 8,451 | 1,113 | 5,030 | 5,973 | (3,878) | 8,970 | 9,603 |
| Contributions by fund participants | 964 | 927 | - | - | 3,752 | 3,880 | 4,716 | 4,807 |
| Benefits paid | (2,161) | (3,013) | (1,349) | (1,664) | (19,280) | (15,778) | (22,790) | (20,455) |
| **Fair value of fund assets at end of the year** | **42,406** | **45,269** | **19,398** | **21,751** | **293,907** | **330,813** | **355,711** | **397,833** |

*20. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS | B.SUPERANNUATION LIABILITY cont*

**Reconciliation of the assets and liabilities recognised in the balance sheet**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Present value of partly funded defined benefit obligation at end of year | 44,785 | 41,178 | 20,520 | 18,825 | 432,677 | 345,185 | 497,982 | 405,188 |
| Fair value of fund assets at end of year | (42,406) | (45,269) | (19,398) | (21,751) | (293,907) | (330,813) | (355,711) | (397,833) |
| Subtotal | 2,379 | (4,091) | 1,122 | (2,926) | 138,770 | 14,372 | 142,271 | 7,355 |
| Unrecognised past service cost | - | - | - | - | - | - | - | - |
| Unrecognised gain/(loss) | - | - | - | - | - | - | - | - |
| Adjustment for limitation on net asset | - | - | - | - | - | - | - | - |
| **Net Liability/(Asset) recognised in balance sheet at end of year** | **2,379** | **(4,091)** | **1,122** | **(2,926)** | **138,770** | **14,372** | **142,271** | **7,355** |

**Expense recognised in income statement**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Current service cost | 1,657 | 1,603 | 961 | 984 | 2,689 | 2,840 | 5,307 | 5,427 |
| Interest cost | 2,622 | 2,558 | 1,177 | 1,117 | 22,242 | 21,129 | 26,041 | 24,804 |
| Expected return on fund assets (net of expenses) | (3,659) | (3,158) | (1,743) | (1,535) | (26,676) | (28,536) | (32,078) | (33,229) |
| Actuarial losses/(gains) recognised in year | - | - | - | - | - | - | - | - |
| Past service cost | - | - | - | - | - | - | - | - |
| Movement in adjustment for limitation on net asset | - | - | - | - | - | - | - | - |
| Curtailment or settlement (gain)/loss | - | - | - | - | - | - | - | - |
| **Expense/(income) recognised** | **620** | **1,003** | **395** | **566** | **(1,745)** | **(4,567)** | **(730)** | **(2,998)** |

The superannuation expense recognised in the Operating Statement is included 'employee expenses'. Superannuation actuarial gains/losses of $144.6m (2008: $53.7m) are separately identified in the 'statement of recognised income and expense' This item and the 'Movement in adjustment for limitation on net asset' item have been moved from the 'Expense Recognised in Income Statement' table to the table Amounts Recognised in the Statement of Recognised Income and Expense table following.

**Amounts recognised in the statement of recognised income and expense.**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Actuarial (gains)/losses | 7,734 | 3,646 | 4,766 | 2,850 | 132,118 | 47,231 | 144,618 | 53,727 |
| Adjustment for limit on net asset | - | - | - | - | - | - | - | - |

The cumulative amount of actuarial (gains)/losses recognised in the 'statement of recognised income and expense' since 1 July 2004 is $118.195m.

Before, 1 July 2004 and the adoption of AEIFRS, it was not practical to determine the cumulative actuarial gain/loss as if the new policy had always been applied, given that the actuarial gains and losses were not separately identified and accumulated, and the superannuation expense was calculated on a different basis.

**Fund assets**

The percentage invested in each asset class at the balance sheet date

| | 2009 | 2008 |
|---|---|---|
| Australian equities | 32.1% | 31.6% |
| Overseas equities | 26.0% | 25.4% |
| Australian fixed interest securities | 6.2% | 7.4% |
| Overseas fixed interest securities | 4.7% | 7.5% |
| Property | 10.0% | 11.0% |
| Cash | 8.0% | 6.1% |
| Other | 13.0% | 11.0% |

**Fair value of fund assets**

All fund assets are invested by the Superannuation Trustee Corporation (STC) at arm's length through independent fund managers.

**Expected rate of return on assets**

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

*20. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS | B.SUPERANNUATION LIABILITY cont*

**Actual return on fund assets**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| **Actual return on fund assets** | **(4,427)** | **(2,685)** | **(2,117)** | **(1,209)** | **(32,265)** | **(23,994)** | **(38,809)** | **(27,888)** |

Valuation method and principal actuarial assumptions at the balance sheet date

*(i) Valuation method*

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

*(ii) Economic assumptions*

| | 2009 | 2008 |
|---|---|---|
| Salary increase rate (excluding promotional increases) | 3.5% pa | 3.5% pa |
| Rate of CPI Increase | 2.5% pa | 2.5% pa |
| Expected rate of return on assets | 8.13% | 8.3% |
| Discount rate | 5.59% | 6.55% |

*(iii) Demographic assumptions*

The demographic assumptions at 30 June 2009 are those that will be used in the 2009 triennial actuarial valuation. The triennial review report will be available from the NSW Treasury website, after it is tabled in Parliament in December 2009.

**Historical information**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Present value of defined benefit obligation | 44,785 | 41,178 | 20,520 | 18,825 | 432,677 | 345,185 | 497,982 | 405,188 |
| Fair value of fund assets | (42,406) | (45,269) | (19,398) | (21,751) | (293,907) | (330,813) | (355,711) | (397,833) |
| (Surplus)/Deficit in fund | 2,379 | (4,091) | 1,122 | (2,926) | 138,770 | 14,372 | 142,271 | 7,355 |
| Experience adjustments – Fund liabilities | 525 | (1,920) | 906 | 106 | 78,090 | (2,583) | 79,521 | (4,397) |
| Experience adjustments – Fund assets | 7,209 | 5,566 | 3,860 | 2,744 | 54,027 | 49,814 | 65,096 | 58,124 |

**Expected Contributions**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Expected employer contributions to be paid in the next reporting period | 1,831 | 1,762 | 1,099 | 1,117 | 6,004 | 6,208 | 8,934 | 9,087 |

**Funding arrangements for employer contributions**

*(i) Surplus/deficit*

The following is a summary of the 30 June 2009 financial position of the fund calculated in accordance with AAS 25 – Financial Reporting by Superannuation Plans.

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Accrued benefits | 41,661 | 41,144 | 18,849 | 18,924 | 314,428 | 318,954 | 374,938 | 379,022 |
| Net market value of fund assets | (42,406) | (45,269) | (19,398) | (21,751) | (293,907) | (330,813) | (355,711) | (397,833) |
| **Net (surplus)/deficit** | **(745)** | **(4,125)** | **(549)** | **(2,827)** | **20,521** | **(11,859)** | **19,227** | **(18,811)** |

*(ii) Contribution recommendations*

Recommended contribution rates for the entity are:

| SASS multiple of member contributions | | SANCS % member salary | | SSS multiple of member contributions | |
|---|---|---|---|---|---|
| 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| 1.90 | 1.90 | 2.50 | 2.50 | 1.60 | 1.60 |

*(iii) Funding method*

The method used to determine the employer contribution recommendations at the last actuarial review was the *Aggregate Funding* method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

*20. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS | B.SUPERANNUATION LIABILITY cont*

*(iv) Economic assumptions*

The economic assumptions adopted for the last actuarial review of the fund were:

| Weighted-average assumptions | 2009 | 2008 |
|---|---|---|
| Expected rate of return on fund assets backing current pension liabilities | 8.3% pa | 7.7% pa |
| Expected rate of return on fund assets backing other liabilities | 7.3% pa | 7.0% pa |
| Expected salary increase rate | 4.0% pa | 4.0% pa |
| Expected rate of CPI increase | 2.5% pa | 2.5% pa |

**Nature of asset/liability**

If a surplus exists in the employer's interest in the fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of fund assets and the defined benefit obligation.

## 21. CURRENT LIABILITIES – OTHER

Unspent Parliamentary Appropriations are refundable to the Consolidated Fund as the authority to spend the money lapses on 30 June each year. For detailed calculations refer to the Summary of Compliance with financial directive, in the supplementary financial statements.

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Other current liabilities** | | |
| Liability to Consolidated Fund | 21 | 968 |
| | **21** | **968** |

## 22. CHANGES IN EQUITY

| | Accumulated Funds | | Asset Revaluation Reserve | | Total Equity | |
|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| **Balance at the beginning of the year** | 117,654 | 152,672 | 35,356 | 35,249 | 153,010 | 187,921 |
| **Changes in equity - transactions with owners as owners** | | | | | | |
| Fair value of net asset transferred in on administrative restructure (note 24) | 2,979 | 7,222 | - | - | 2,979 | 7,222 |
| Contribution to Consolidated Fund | (11,389) | (18,976) | | | (11,389) | (18,976) |
| **Total** | **(8,410)** | **(11,754)** | **-** | **-** | **(8,410)** | **(11,754)** |
| **Changes in equity - other than transactions with owners as owners** | | | | | | |
| Surplus for the year | 25,293 | 30,463 | - | - | 25,293 | 30,463 |
| Superannuation actuarial losses | (144,618) | (53,727) | - | - | (144,618) | (53,727) |
| Increment on revaluation of land and buildings | - | - | 16,261 | - | 16,261 | - |
| Increment on revaluation of other financial assets | (160) | - | (654) | 107 | (814) | 107 |
| Increment on revaluation of infrastructure | - | - | - | - | - | - |
| **Total** | **(119,485)** | **(23,264)** | **15,607** | **107** | **(103,878)** | **(23,157)** |
| **Balance at the end of the year** | **(10,241)** | **117,654** | **50,963** | **35,356** | **40,722** | **153,010** |

**Asset revaluation reserve**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Department's policy on the revaluation of property, plant and equipment as discussed in note 1i(iii).

## 23. RECLASSIFICATIONS

The following reclassifications were identified during 2009 and have been adjusted in the 2008 comparatives.

**Operating statement**

| | | Previously reported figure for 2007/08 $'000 | Reclassification $'000 | Comparative figure reported in 2008/09 $'000 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Employee related expenses | (a) | 182,632 | (53,727) | 128,905 |
| **Revenue** | | | | |
| Investment revenue | (b) | 4,270 | (174) | 4,096 |
| Grants and contributions | (b) | 6,049 | 174 | 6,223 |
| Surplus/(deficit) for the year | (a) | (23,264) | 53,727 | 30,463 |

**Balance sheet**

| | | Previously reported figure for 2007/08 $'000 | Reclassification $'000 | Comparative figure reported in 2008/09 $'000 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current Assets** | | | | |
| Cash and cash equivalents | (c) | 47,693 | 1,659 | 49,352 |
| Receivables | (d) | 22,549 | 367 | 22,916 |
| Other financial assets | (d) | 6,009 | (367) | 5,642 |
| **Non-Current Assets** | | | | |
| **Liabilities** | | | | |
| **Current Liabilities** | | | | |
| Payables | (c)(e) | 42,001 | 1,734 | 43,735 |
| Provisions | (e) | 54,408 | (75) | 54,333 |
| **Equity** | | | | |
| Reserves | (f) | 35,356 | - | 35,356 |
| Accumulated funds | (f) | 117,654 | - | 117,654 |

(a) Restate superannuation actuarial loss directly to equity instead of through the operating statement, in accordance with the NSW Treasury instruction TC 09/01.

(b) Reclassification of initial grant revenue from zero interest loans from investment income (note 3b) to grants and contributions (note 3d) in accordance with the NSW Treasury Policy Paper TPP 08/1.

(c) Reclassification of an intercompany bank account from cash and cash equivalents (note 10) to payables (note 18).

(d) Reclassification of Provision for Doubtful Debts related to PRMF loans from receivables (note 11) to other financial assets (note 13).

(e) Reclassification of FBT payable from provisions (note 20) to payables (note 18).

## 24. INCREASE IN NET ASSETS FROM EQUITY TRANSFERS

Following the administrative restructure of the Department of Natural Resources, land and buildings valued at $2.979m were transferred to the Department in 2009 (2008 - $7.222m).

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Assets** | | |
| Land | 1,089 | 2,912 |
| Buildings and Cottages | 1,861 | 4,528 |
| Buildings and Cottages - accumulated depreciation | - | (218) |
| Plant and equipment | 29 | - |
| **Total Assets** | **2,979** | **7,222** |
| **Liabilities** | | |
| Total Liabilities | - | - |
| **Increase in Net Assets** | **2,979** | **7,222** |

## 25. COMMITMENTS FOR EXPENDITURE

### a. Capital commitments

Aggregate capital expenditure for acquisition of items contracted for at balance date and not provided for:

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Not later than one year | 1,796 | 2,549 |
| **Total (including GST)** | **1,796** | **2,549** |

### b. Other expenditure commitments

Aggregated below are commitments for the acquisition of items contracted for at reporting date including mass valuation contracts with various suppliers and other expenditures.

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Not later than one year | 23,431 | 20,901 |
| Later than one year and not later than five years | 4,576 | 10,633 |
| **Total (including GST)** | **28,007** | **31,534** |

### c. Operating lease commitments – as lessee

The Department has entered into commercial property leases and commercial leases on certain motor vehicles and items of telecommunication equipment. These leases have an average life of between three and seven years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases for accommodation and motor vehicles for varying contract periods/ suppliers, are as follows.

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Not later than one year | 5,886 | 5,550 |
| Later than one year and not later than five years | 8,265 | 4,778 |
| **Total (including GST)** | **14,151** | **10,328** |

The total capital commitments, other expenditure commitments and operating lease commitments above include input tax credits of $3.997m (2008 - $4.026m) that are expected to be recovered from the Australian Taxation Office.

## 26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Liabilities** | | |
| Torrens Assurance Fund | 13,865 | 15,956 |
| | **13,865** | **15,956** |

### a. Torrens Assurance Fund

The Department maintains a special deposit account for claims arising through fraud or departmental error (the Torrens Assurance Fund). Estimates of the potential liability for claims that have been made against the fund, but which are not yet finalised, are identified as contingent liabilities. These liabilities have been estimated on the assumption that all disputed claims will be lost by the Department.

### b. Insurance claims

The Department may be liable for payment of compensation payments arising from claims and other matters subject to litigation. The amounts involved cannot be accurately determined and in some instances are subject to arbitration. These claims are covered by the Treasury Managed Fund.

### c. Other contingent liabilities

The Department has received a claim in respect of copyright royalties, relating to the sale of plans containing surveyor's drawings. At this stage, Lands is not able to determine a reliable estimate of the potential costs involved, as this matter is in dispute. Therefore, this has been identified as a contingent liability and no provision has been made for any future liability.

## 27. BUDGET REVIEW

### a. Net cost of services

In 2009 the employee related expenses have increased on the 2008 level, resulting from valuation staff transferred from Department of Commerce and additional trainees to replace those expected to retire. The delay in recruitment of trainees resulted in a lower than budgeted result for employee expenses.

Increased operating expenses against budget primarily relate to drought assistance to farmers in the Western Division ($1m), costs incurred for Treasury for asset revaluation work ($5.3m), claims against the Torrens Assurance Fund ($2.4m), increased depreciation of assets and bushfire mitigation works funded by the Rural Fire Service and the Commonwealth.

Grants and subsidies expenditure reflects the Australian Accounting Standard requirement to eliminate payments made between divisions of the same economic entity. As a result the community service obligation subsidy paid to LPI in 2009 of $13.2m does not appear in these accounts. This is the reason for the lower than budget expenditure in this area. Costs incurred in delivering the community service obligations are in general operating expenses.

Revenues in 2009 increased against budget by $7.2m. Variances include increased interest on invested funds, increased sale of valuation services provided to the Office of State Revenue, costs recovered from Treasury for asset revaluation work and additional revenue raised through the Public Reserves Management Fund. Grant and contributions income has increased in 2009 on the comparable result for 2008 due to funding received from the Commonwealth for work on the HMAS Adelaide.

*27. BUDGET REVIEW cont.*

**b. Assets and liabilities**

Current Assets have declined against budget due to lower cash holding than planned.

Property plant and equipment increased during the year compared to budget resulting from the transfer of assets to the Department from the disaggregation of the Department of Natural Resources. Asset purchases were primarily software and other information technology assets categorised under intangible assets.

Non-current liabilities increased mainly due to the employer's increasing exposure to future superannuation costs, reflected by low benchmark returns achieved on invested employer reserve assets

**c. Cash flows**

Net operating cash flows reflect minimal growth in the property related transactions. Revenues are consistent with budget however operating costs in 2009 increased against budget due to additional Budget funded grants ($2m) and other payments made.

Investing cash flows reflect the capital asset investment strategy for the Department, with the majority of investment in 2009 going into new and improved business systems and information technology infrastructure. During 2009 $8.9m more than budgeted was paid in dividends to Treasury.

## 28. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Net Cash flow from Operating Activities** | **31,027** | **41,082** |
| Cash flows from Government | (65,314) | (65,397) |
| Acceptance by the Crown Entity of employee entitlements and other liabilities | (4,692) | (4,220) |
| Depreciation | (18,583) | (16,551) |
| Net gain/(loss) on sale of non-current assets | 47 | (2,675) |
| Net gain/(loss) on financial assets/liabilities not at fair value through profit or loss | 1,218 | 337 |
| (Increase)/decrease in provisions | 9,421 | 38,027 |
| (Decrease)/increase in receivables and prepayments | (7,828) | (29,143) |
| (Decrease)/increase in inventories | (90) | (6) |
| Decrease/(increase) in current liabilities | 9,134 | 59 |
| **Net Cost of Services** | **(45,660)** | **(38,487)** |

## 29. ADMINISTERED REVENUE AND EXPENSES

| | Crown Leaseholds Entity $'000 | Land Development Working Account $'000 | 2009 $'000 | 2008 $'000 |
|---|---|---|---|---|
| Revenue | 68,072 | 13,096 | 81,168 | 151,142 |
| Expenses | (29,957) | (13,509) | (43,466) | (41,383) |
| Losses on disposal of assets | (21,116) | - | (21,116) | (88,807) |
| Other losses | (7,923) | - | (7,923) | (35,444) |
| **Operating surplus/(deficit)** | **9,076** | **(413)** | **8,663** | **(14,492)** |

## 30. ADMINISTERED ASSETS AND LIABILITIES

| | Crown Leaseholds Entity $'000 | Land Development Working Account $'000 | 2009 $'000 | 2008 $'000 |
|---|---|---|---|---|
| **Administered Assets** | | | | |
| Cash | 8,729 | 12,377 | 21,106 | 35,678 |
| Receivables | 35,936 | 3,954 | 39,890 | 47,499 |
| Land in course of development | - | 5,723 | 5,723 | 6,163 |
| Crown land | 6,250,822 | - | 6,250,822 | 6,271,212 |
| Plant and equipment | - | 5 | 5 | 8 |
| **Total Administered Assets** | **6,295,487** | **22,059** | **6,317,546** | **6,360,560** |
| **Administered liabilities** | | | | |
| Unearned revenue | 17,428 | - | 17,428 | 19,536 |
| Accounts payable and provisions | 972,181 | 7,499 | 979,680 | 993,812 |
| Liability to Consolidated Fund | - | - | - | 9,000 |
| Amount due to Crown Leasehold | - | 3,790 | 3,790 | 15,907 |
| **Total Administered Liabilities** | **989,609** | **11,289** | **1,000,898** | **1,038,255** |

## 31. ADMINISTERED INCOME – DEBTS WRITTEN OFF

| | Crown Leaseholds Entity $'000 | Land Development Working Account $'000 | 2009 $'000 | 2008 $'000 |
|---|---|---|---|---|
| Bad debt expense | 627 | 162 | 789 | 201 |
| | **627** | **162** | **789** | **201** |

Administered debts for lease and land income of $789k were written off during the year (2008 - $201k) .

## 32. ADMINISTERED INCOME – SCHEDULE OF UNCOLLECTED AMOUNTS

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Analysis of uncollected amounts | | |
| Less than 90 days | 1,628 | 2,786 |
| Greater than 90 days and less than 180 days | 1,404 | 1,910 |
| Greater than 180 days | 4,301 | 19,527 |
| | **7,333** | **24,223** |
| Less: allowance for impairment | (777) | (892) |
| | 6,556 | 23,331 |
| Amounts not yet called – incomplete purchases | 21,881 | 21,540 |
| **Total** | **28,437** | **44,871** |

## 33. FINANCIAL INSTRUMENTS

The Department's principal financial instruments are outlined below. These financial instruments arise directly from the Department's operations or are required to finance the Department's operations. The Department does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Department's main risks arising from financial instruments are outlined below, together with the Department's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Director General has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Department, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Lands Audit and Risk Committee and internal audit on a continuous basis.

### a. Financial instrument categories

| Class | Note | Category | 2009 $'000 Carrying amount | 2008 $'000 Carrying amount |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Cash and Cash Equivalents | 10 | n/a | 42,126 | 49,352 |
| Receivables (1) | 11 | Receivables measured at cost | 12,281 | 10,308 |
| Other financial assets | 13 | Loans and receivables measured at amorised cost | 27,017 | 25,368 |
| **Financial Liabilities** | | | | |
| Payables (2) | 18 | Payables measured at cost | 9,303 | 9,281 |
| Borrowings | 19 | Financial liabilities measured at amortised cost | 8,445 | 12,941 |

**Notes**

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

### b. Credit risk

Credit risk arises when there is the possibility of the Department's debtors defaulting on their contractual obligations, resulting in a financial loss to the Department. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Department, including cash and receivables. The Department has not granted any financial guarantees. Credit risk associated with the Department's financial assets, is managed through the selection of counterparties, establishment of minimum credit rating standards and careful management of customer credit arrangements. Bank guarantees are also held for customers with large regular dealings with the Department.

**Cash**

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

*33. FINANCIAL INSTRUMENTS | B. CREDIT RISK cont.*

**Receivables - trade debtors**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience and current and expected changes in economic conditions and debtor credit ratings. The credit risk is the carrying amount (net of any allowance or impairment). No interest is earned on trade debtors. Sales are made on terms ranging from zero to 30 days.

The Department is not materially exposed to concentrations of credit risk from a single trade debtor or group of debtors. Based on past experience, debtors that are not past due and not more than 90 days past due are not considered impaired.

The only financial assets that are past due or impaired are within 'sale of goods and services' in the 'receivables' category and 'PRMF loans' in the 'other financial assets' category of the balance sheet.

| | Total $'000 | Past due but not impaired $'000 < 3 mths overdue | 3-6 mths overdue | > 6 mths overdue | Considered impaired $'000 |
|---|---|---|---|---|---|
| **2009** | | | | | |
| Receivables | 4,449 | 3,804 | 271 | 104 | 270 |
| Other Financial Assets | 1,755 | 409 | 75 | 764 | 507 |
| **2008** | | | | | |
| Receivables | 4,146 | 3,045 | 218 | 383 | 500 |
| Other Financial Assets | 860 | 107 | 33 | 649 | 71 |

The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired.

**c. Liquidity risk**

Liquidity risk is the risk that the Department will be unable to meet its payment obligations when they fall due. The Department continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The Department has the following credit standby arrangements.

| | 2009 $'000 | 2008 Limit $'000 |
|---|---|---|
| Cheque cashing authority | 66 | 68 |
| MasterCard | 750 | 454 |
| Tape negotiation authority | 10,000 | 8,150 |
| | **10,816** | **8,672** |

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Department does not have any bank overdraft facility. The Department's exposure to liquidity risk is deemed insignificant, based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

The table below summarises the maturity profile of the Department's financial liabilities, together with the interest rate exposure.

| | | | Interest rate exposure | | | Maturity dates | | |
|---|---|---|---|---|---|---|---|---|
| | Weighted average effective interest % | Nominal amount $'000 | Fixed interest rate $'000 | Variable interest rate $'000 | Non-interest bearing $'000 | 1 year or less $'000 | 1 to 5 years $'000 | Over 5 years $'000 |
| **2009** | | | | | | | | |
| Trade and other payables | | 9,303 | - | - | 9,303 | 9,303 | - | - |
| Borrowings | 8.81% | 7,274 | 7,274 | - | - | 1,551 | 5,723 | - |
| Advance repayable | | 1,566 | - | 1,566 | - | 99 | 530 | 937 |
| Other | | - | - | - | - | - | - | - |
| **Total financial liabilities** | | **18,143** | **7,274** | **1,566** | **9,303** | **10,953** | **6,253** | **937** |
| **2008** | | | | | | | | |
| Trade and other payables | | 9,281 | - | - | 9,281 | 9,281 | - | - |
| Borrowings | 8.81% | 8,726 | 8,726 | - | - | 1,452 | 7,274 | - |
| Advance repayable | | 4,658 | - | 3,159 | 1,499 | 158 | 632 | 3,868 |
| Other | | 968 | - | - | 968 | 968 | - | - |
| **Total financial liabilities** | | **23,633** | **8,726** | **3,159** | **11,748** | **11,859** | **7,906** | **3,868** |

**Notes:**

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.
2. The amounts exclude statutory liabilities, revenue received in advance, accrued wages and salaries.

*33. FINANCIAL INSTRUMENTS cont.*

**d. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Department has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Department operates and the time frame for the assessment (ie until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2008. The analysis assumes that all other variable remain constant.

**Interest rate risk**

Exposure to interest rate risk arises primary through the Department's interest bearing liabilities. This risk is minimised by undertaking fixed rate borrowings, with Westpac bank. The Department does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonable possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Department's exposure to interest rate risk is set out below.

**Cash flow sensitivity**

| | | -1% | | 1% | |
|---|---|---|---|---|---|
| | **Carrying Amount $'000** | **Profit $'000** | **Equity $'000** | **Profit $'000** | **Equity $'000** |
| 2009 financial assets: | | | | | |
| Cash and cash equivalents | 42,126 | (421) | (421) | 421 | (421) |
| 2008 Financial Assets: | | | | | |
| Cash and cash equivalent | 49,352 | (494) | (494) | 494 | 494 |

## 34. AFTER BALANCE DATE EVENTS

Since balance date, the Public Sector Employment and Management (Departmental Amalgamation) Order 2009 transferred all branches of the Department of Lands to the Land and Property Management Authority and abolished the Department of Lands.

END OF AUDITED FINANCIAL REPORT

GPO BOX 12
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

## LAND AND PROPERTY INFORMATION NEW SOUTH WALES

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Land and Property Information New South Wales (LPI), which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of LPI as at 30 June 2009, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

### The Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to LPI's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LPI's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of LPI,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

**Independence**

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

Scott Stanton
Director, Financial Audit Services

20 October 2009
SYDNEY

## STATEMENT BY CHIEF EXECUTIVE OFFICER

Pursuant to section 41C (1B) of the *Public Finance and Audit Act 1983*, we state that:

(1) the accompanying financial report exhibits a true and fair view of the financial position and financial performance of Land and Property Information, a business unit of the Department of Lands for the year ended 30 June 2009; and

(2) the financial report has been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005*, the Treasurer's Directions and Australian Accounting Standards (including Australian Accounting Interpretations).

Further, we are not aware of any circumstance which would render any particulars included in the financial report to be misleading or inaccurate.

Bob Costello
Director Finance and Corporate Support
Land and Property Management Authority
Date: 20 October 2009

Des Mooney
General Manager, LPI Division
Land and Property Management Authority
Date: 20 October 2009

Warwick Watkins
Chief Executive Officer
Land and Property Management Authority
Date: 20 October 2009

## INCOME STATEMENT
## FOR THE YEAR ENDED 30 JUNE 2009

| | Notes | 2009 $'000 | 2008 $'000 |
|---|---|---|---|
| **Revenue** | | | |
| Sale of goods | 2(a) | 1,292 | 1,741 |
| Rendering of services | 2(b) | 169,566 | 165,462 |
| Investment revenue | 2(c) | 1,298 | 2,605 |
| Other revenue | 2(d) | 13,696 | 14,379 |
| **Total revenue** | | **185,852** | **184,187** |
| | | | |
| **Expenses** | | | |
| Employee related expenses | 3(a) | 92,771 | 79,855 |
| Other operating expenses | 3(b) | 44,122 | 41,172 |
| Maintenance | 3(c) | 2,343 | 2,384 |
| Depreciation and amortisation | 3(d) | 15,986 | 14,258 |
| Grants and subsidies | 3(e) | 520 | 535 |
| Other expenses | 3(f) | 4,780 | 2,343 |
| Loss on disposal | 3(g) | 4 | 2 |
| **Total expenses** | | **160,526** | **140,549** |
| | | | |
| Surplus before income tax equivalent | | 25,326 | 43,638 |
| | | | |
| Income tax equivalent expense | 3(h) | 4,881 | 9,568 |
| **SURPLUS FOR THE YEAR** | | **20,445** | **34,070** |

The accompanying notes form part of these financial statements

## STATEMENT OF RECOGNISED INCOME AND EXPENSE
## FOR THE YEAR ENDED 30 JUNE 2009

| | Notes | 2009 $'000 | 2008 $'000 |
|---|---|---|---|
| Net increase / (decrease) in property, plant and equipment asset revaluation reserve | 13 | 11,004 | - |
| Superannuation actuarial gains / (losses) | 13 | (137,754) | (50,556) |
| **TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY** | | **(126,750)** | **(50,556)** |
| | | | |
| Surplus for the year | 13 | 20,445 | 34,070 |
| **TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR** | | **(106,305)** | **(16,486)** |
| | | | |
| **EFFECT OF CHANGE IN ACCOUNTING POLICY** | | | |
| Deficit for the period as reported | | - | (16,486) |
| Superannuation actuarial losses | | - | 50,556 |
| **RESTATED SURPLUS FOR THE PERIOD** | | **-** | **34,070** |

The accompanying notes form part of these financial statements

## BALANCE SHEET AS AT 30 JUNE 2009

| | Notes | 2009 $'000 | 2008 $'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 5 | 35,347 | 42,609 |
| Trade and other receivables | 6 | 10,507 | 10,146 |
| Inventories | 7 | 150 | 204 |
| **Total current assets** | | **46,004** | **52,959** |
| | | | |
| **Non-current assets** | | | |
| Inventories | 7 | 1,513 | 1,571 |
| Property, plant and equipment | 8 | | |
| Land and buildings | | 81,313 | 69,602 |
| Plant and equipment | | 14,087 | 13,709 |
| Total property, plant and equipment | | 95,400 | 83,311 |
| Intangible assets | 9 | 30,066 | 30,461 |
| Prepaid superannuation | 12 | - | 6,056 |
| **Total non-current assets** | | **126,979** | **121,399** |
| | | | |
| **TOTAL ASSETS** | | **172,983** | **174,358** |
| | | | |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 11 | 20,245 | 32,838 |
| Provisions | 12 | 49,381 | 43,527 |
| **Total current liabilities** | | **69,626** | **76,365** |
| | | | |
| **Non-current liabilities** | | | |
| Provisions | 12 | 136,474 | 13,416 |
| **Total non-current liabilities** | | **136,474** | **13,416** |
| | | | |
| **TOTAL LIABILITIES** | | **206,100** | **89,781** |
| | | | |
| **NET ASSETS** | | **(33,117)** | **84,577** |
| | | | |
| **EQUITY** | 13 | | |
| Reserves | | 25,123 | 14,119 |
| Retained earnings | | (58,240) | 70,458 |
| **TOTAL EQUITY** | | **(33,117)** | **84,577** |

The accompanying notes form part of these financial statements

# CASH FLOW STATEMENT
# FOR THE YEAR ENDED 30 JUNE 2009

| | Notes | 2009 $'000 | 2008 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Sale of goods and services | | 170,343 | 170,311 |
| Interest received | | 2,315 | 2,735 |
| Other revenue | | 17,988 | 19,870 |
| Employee related | | (95,364) | (89,998) |
| Income tax equivalent | | (8,709) | (9,794) |
| Other expenses | | (58,142) | (53,887) |
| **Net cash flows from operating activities** | 16 | **28,431** | **39,237** |
| | | | |
| **Cash flows from investing activities** | | | |
| Sale proceeds of fixed assets | | 6 | 15 |
| Purchases of land and buildings, plant and equipment and intangible assets | | (16,723) | (19,072) |
| **Net cash flows used in investing activities** | | **(16,717)** | **(19,057)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Contribution to Consolidated Fund | | (18,976) | (16,512) |
| **Net cash flows used in financing activities** | | **(18,976)** | **(16,512)** |
| | | | |
| **NET INCREASE / (DECREASE) IN CASH** | | (7,262) | 3,668 |
| | | | |
| Opening cash and cash equivalents | | 42,609 | 38,941 |
| **CLOSING CASH AND CASH EQUIVALENTS** | 5 | **35,347** | **42,609** |

The accompanying notes form part of these financial statements

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. Reporting entity

Land and Property Information New South Wales (LPI) is a non budget dependent commercial entity within the Department of Lands. LPI provides integrated land and property information services to the Government and community of New South Wales. The head office is located at 1 Prince Albert Road, Queens Square, Sydney, NSW 2000.

Under Section 45E of the *Public Finance and Audit Act 1983* (the Act), the Treasurer has directed the Department of Lands to prepare a separate financial report for LPI. The format of the financial report is to be in accordance with the requirements of Section 41A and Section 41B of the Act.

LPI is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated within the financial report of the Department of Lands and as part of the NSW Total State Sector Accounts.

The financial report for the year ended 30 June 2009 was authorised for issue by the Chief Executive Officer on 20 October 2009.

### b. Basis of preparation

LPI's financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with:

- applicable Australian Accounting Standards, which include Australian Accounting Interpretations; and
- the requirements of the *Public Finance and Audit Act 1983* and Regulation.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets held for trading and available for sale are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### c. Statement of compliance

LPI's financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

The following new Accounting Standards and Interpretations have not been applied and are not yet effective for the period ending 30 June 2009. NSW Treasury TC 09/03 has mandated that agencies do not early adopt any of the new standards or interpretations.

- AASB 3 *Business Combinations* (issued March 2008).
- AASB 8 *Operating Segments* (issued February 2007).
- AASB 101 *Presentation of financial statements* (issued September 2007).
- AASB 123 *Borrowing costs* (issued June 2007), *AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123* (issued June 2007).
- AASB 127 *Consolidated and Separate Financial Statements* (issued March 2008).
- AASB 1039 *Concise Financial Reports* (issued August 2008).
- AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (issued February 2007).
- AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (issued September 2007).
- AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101* (issued December 2007).
- AASB 2008-1 *Amendments to Australian Accounting Standard – Share based Payments: Vesting Conditions and Cancellations [AASB 2]* (issued February 2008).
- AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation* (issued March 2008).
- AASB 2008-3 *Amendments to Australian Accounting Standards and Interpretations arising from AASB 3 and AASB 127* (issued March 2008).
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Process Project* (issued July 2008).
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (issued July 2008).
- *AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (issued July 2008).
- AASB 2008-8 *Amendments to Australian Accounting Standards – Eligible Hedged Items* (issued August 2008).
- AASB 2008-9 *Amendments to AASB 1049 for consistency with AASB 101* (issued September 2008).
- AASB 2008-11 *Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities* (issued November 2008).
- AASB 2009-1 *Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities* (issued April 2009).
- AASB 2009-2 *Amendments to Australian Accounting Standards Improving Disclosures about Financial Instruments* (issued April 2009).
- Interpretation 15 *Agreements for the Construction of Real Estate* (issued August 2008).
- Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* (issued August 2008).
- Interpretation 17 *Distributions of Non-Cash Assets to Owners* (issued December 2008) and AASB 2008- 13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners* (issued December 2008).
- Interpretation 18 *Transfers of Assets from Customers* (issued March 2009).

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial statements of the LPI.

### d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to LPI and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*(i) Sale of goods*

Revenue from the sale of goods is recognised as revenue when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transactions can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

*(ii) Rendering of services*

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

*(iii) Investment revenue*

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

*(iv) Grants and contributions*

Grants and contributions are recognised as income when all the following conditions are satisfied: LPI obtains control over the assets comprising the grants/contributions or the right to receive the contribution; it is probable that the economic benefits comprising the contribution will flow to LPI; and the amount can be measured reliably.

### e. Employee benefits and other provisions

*(i) Salaries and wages, annual leave, sick leave and on-costs*

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within 12 months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on government bonds of 4.01% are used to discount long-term annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

*(ii) Long service leave and superannuation*

LPI is responsible for the long service leave liability for employees with five or more years of service and all superannuation liabilities. These liabilities are recognised in the Balance Sheet.

The long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of the valuation ratio at the Commonwealth government bond rate at the reporting date to employees with five or more years of service, using expected future rates of pay. This ratio is determined based on a periodical actuarial review to approximate present value. Where LPI does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as current liability.

LPI is responsible for employee superannuation entitlements under defined contribution plans and defined benefit plans.

Contributions to defined contribution superannuation plans are expensed when incurred. For defined benefit plans, the actuarial valuations are carried out at each reporting date by Pillar Administration using the projected unit credit method, and the actuarial gains and losses are recognised immediately through profit and loss in the period in which they occur as per NSW Treasury's mandate.

The defined benefit position recognised in the Balance Sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs, net of the fair value of the plan assets.

*(iii) Other provisions*

Other provisions are recognised when LPI has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the legal or constructive obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

### f. Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

### g. Insurance

LPI's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

### h. Accounting for the goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except for:

- GST incurred by LPI as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the acquisition cost of an asset, or as part of an item of expense;
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to the taxation authority, is included as part of receivables or payables.

Cash flows are included in the Cash Flow Statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to the Australian Taxation Office are classified as operating cash flows.

### i. Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by LPI. Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost or for nominal consideration are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

### j. Capitalisation thresholds

Property, plant and equipment and intangible assets costing $5,000 and above individually are capitalised. Individual items of computer equipment costing $1,000 and above are capitalised when they form part of a network.

### k. Revaluation of physical non-current assets

Physical non-current assets are valued in accordance with NSW Treasury TPP 07-1 *Valuation of Physical Non-Current Assets at Fair Value*. This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Except for certain heritage assets, property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

LPI revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 June 2009 and was based on an independent assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the Income Statement, the increment is recognised immediately as revenue in the Income Statement.

Revaluation decrements are recognised immediately as expenses in the Income Statement, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not for-profit entity, revaluation increments and decrements are offset against one another within the same class of non-current assets but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to retained earnings.

### l. Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, LPI is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

### m. Depreciation of non-current physical assets

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets, so as to write off the depreciable amount of each asset as it is consumed over its useful life to LPI.

All material separately identifiable components of assets are depreciated over their shorter useful lives. The normal depreciation rates of major asset classes are as follows:

| Asset classes | Rates (%) |
|---|---|
| Heritage assets | 0.00 |
| Buildings and improvements | 2.50 |
| Printing press | 6.67 |
| Aeroplane/aerial photographic equipment | 10.00 -14.25 |
| Motor vehicles | 20.00 |
| Plant and equipment | 20.00 |
| EDP equipment | 25.00 |

Land is not a depreciable asset. Certain heritage assets have an extremely long useful life, including heritage buildings. Depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

### n. Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

### o. Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or a component of an asset, in which case the costs are capitalised and depreciated.

### p. Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Income Statement in the periods in which they are incurred.

### q. Intangible assets

The agency recognises intangible assets only if it is probable that future economic benefits will flow to the agency and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Development costs are only capitalised when certain criteria are met. Internally developed software costs that are directly associated with the production of identifiable and unique software products controlled by LPI and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development employee costs and an appropriate portion of relevant overheads. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for LPI's intangible assets, the assets are carried at cost less any accumulated amortisation.

LPI's intangible assets are amortised using the straight line method over a period of four years, for software and internally developed software. In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units, LPI is effectively exempted from impairment testing (refer note 1(l)).

### r. Receivables

Receivables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term receivables are measured at the original invoice amount where the effect of discounting is immaterial. Trade receivables, which generally have 2-30 days terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for impairment of receivables is made when there is objective evidence that the debts will by unable to collected. Bad debts are written off when identified.

### s. Inventories

Inventories held are valued at the lower of cost and net realisable value.

Inventories are comprised of raw materials for map printing and maps stock. Maps stocks are valued at the weighted average cost of printing from the map masters at full absorption of labour, materials and overhead.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost LPI would incur to acquire the asset on the reporting date. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### t. Restricted assets – Torrens Assurance Fund

This fund is administered by LPI. The Torrens Assurance Fund was established under S134(1) of the *Real Property Act 1900* as a special deposit account administered by the Registrar-General. Refer to note 10.

### u. Payables

These amounts represent liabilities for goods and services provided to LPI and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

### v. Contribution to Consolidated Fund

LPI is required to pay income tax equivalent and contributions to the Consolidated Fund. Tax effect accounting is not required to be applied. Income tax is calculated by applying the prevailing company tax rate to profits earned by LPI after adjusting for any superannuation gain or loss impacting the Income Statement and cash paid to defined benefit superannuation plans. The contributions to the Consolidated Fund are paid at the rate of 100% of after tax adjusted profit, in two instalments in August and December.

### w. Comparatives

Comparatives figures are, where appropriate, reclassified to conform with the basis of presentation and classification used in the current year.

### x. Change in accounting policy

According with NSW Treasury policy, LPI has changed its policy on the recognition of superannuation actuarial gains and losses. Such actuarial gains and losses are now recognised outside of profit or loss in the 'statement of recognised income and expense'. Previously, actuarial gains and losses were recognised through profit or loss. Both options are permissible under AASB 119 *Employee Benefits*.

The change in policy has been adopted on the basis that recognition outside profit or loss provides reliable and more relevant information as it better reflects the nature of actuarial gains and losses. This is because actuarial gains/losses are re-measurements, based on assumptions that do not necessarily reflect the ultimate cost of providing superannuation. Recognition outside profit or loss also harmonises better with the Government Finance Statistics/GAAP comprehensive income presentation for the whole of government and general government sector, required under AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. A comprehensive income presentation will also be available at the entity level from 2009/10 under AASB 101 *Presentation of Financial Statements*.

The change in accounting policy increases 2009 '(deficit)/surplus for the period' from $117.309m deficit to $20.445m surplus (2008: from $16.486m deficit to $34.070m surplus), by excluding from profit the superannuation actuarial loss line item (2009: $137.754m, 2008: $50.556m). This item is now recognised in the 'statement of recognised income and expense' rather than the 'income statement'.

## 2. REVENUE

### a. Sale of goods

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Mapping | 1,292 | 1,741 |
| | **1,292** | **1,741** |

### b. Rendering of services

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Title | 126,939 | 125,543 |
| Valuation | 37,867 | 35,296 |
| Torrens Assurance Fund (see note 10) | 2,917 | 3,196 |
| Corporate support | 516 | 815 |
| Miscellaneous income | 1,327 | 612 |
| | **169,566** | **165,462** |

### c. Investment revenue

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Interest | 1,298 | 2,605 |
| | **1,298** | **2,605** |

### d. Other revenue

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Government grants | 13,696 | 14,159 |
| Grants from other entities | - | 220 |
| | **13,696** | **14,379** |

Government grants have been received for community service obligations. Grants from other entities have been received for the operations of the National Electronic Conveyancing System. There are no unfulfilled conditions or contingencies attached to these grants.

## 3. EXPENSES

### a. Employee related expenses

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Salaries and wages (including recreation leave) | 78,021 | 70,892 |
| Superannuation – defined contribution plans | 2,428 | 1,851 |
| Superannuation – defined benefit plans * | (743) | (2,912) |
| Long service leave | 7,363 | 4,426 |
| Workers compensation | 477 | 369 |
| Payroll and fringe benefits tax | 5,158 | 5,077 |
| Other employee on-costs | 67 | 152 |
| | **92,771** | **79,855** |

* The entity charges the full cost of long service leave and current cost of superannuation to operations.

* Refer note 12. Superannuation actuarial losses of $137.754m (2008:$50.556m) are recognised in the 'Statement of recognised income and expenses'. Total superannuation expense for defined benefit plans, including actuarial losses recognised in the 'Statement of recognised income and expense' is $137.754m (2008:$50.556m).

*3. EXPENSES cont.*

| **b. Other operating expenses** | **2009 $'000** | **2008 $'000** |
|---|---|---|
| Valuation contractors and expenses | 18,788 | 17,680 |
| Cleaning and utilities | 1,386 | 1,414 |
| Property rental costs | 920 | 798 |
| EDP – information technology services | 4,355 | 3,594 |
| Furniture, plant and equipment | 306 | 509 |
| Cost of sales | 1,618 | 1,372 |
| Consultancies and other contractors | 8,294 | 7,595 |
| Promotions, publicity, events management | 420 | 467 |
| Travel expenses | 1,097 | 1,069 |
| Telecommunication expenses | 1,414 | 1,544 |
| Motor vehicle expenses | 1,102 | 1,043 |
| Insurance | 136 | 150 |
| Auditor's remuneration – audit of the financial report | 212 | 215 |
| Freight and postage | 744 | 775 |
| Staff related and development | 1,280 | 1,078 |
| Administration | 870 | 877 |
| Legal fees | 49 | 95 |
| Land taxes | 502 | 363 |
| Impairment of receivables | 185 | 141 |
| Other | 444 | 393 |
| | **44,122** | **41,172** |

The audit fee for the LPI audit of the 2009 financial report is $227,700 (2008 $199,500)

| **c. Maintenance** | **2009 $'000** | **2008 $'000** |
|---|---|---|
| Plant and equipments | 1,500 | 1,313 |
| Furniture | 5 | 2 |
| Buildings | 476 | 465 |
| IT equipment | 362 | 604 |
| | **2,343** | **2,384** |

| **d. Depreciation and amortisation** | **2009 $'000** | **2008 $'000** |
|---|---|---|
| Buildings depreciation | 490 | 298 |
| Plant and equipment depreciation | 4,512 | 4,436 |
| Amortisation of intangible assets | 10,984 | 9,524 |
| | **15,986** | **14,258** |

| **e. Grants and subsidies** | **2009 $'000** | **2008 $'000** |
|---|---|---|
| Grants paid to other organisations | 520 | 535 |
| | **520** | **535** |

| **f. Other expenses** | **2009 $'000** | **2008 $'000** |
|---|---|---|
| Torrens Assurance Fund (see note 10) | 4,780 | 2,343 |
| | **4,780** | **2,343** |

| **g. Loss on disposal** | **2009 $'000** | **2008 $'000** |
|---|---|---|
| Proceed from disposal | (6) | (15) |
| Written down value of assets disposed | 10 | 17 |
| **Net loss on disposal of property, plant and equipment** | **4** | **2** |

*3. EXPENSES cont.*

**h. Income tax equivalent expense**

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Accounting surplus for the year | 25,326 | 43,638 |
| Less: defined benefit superannuation expense adjustment | (9,057) | (11,744) |
| **Adjusted accounting surplus for the year** | **16,269** | **31,894** |
| Income tax equivalent expense for the year at 30% | 4,881 | 9,568 |
| | **4,881** | **9,568** |

**i. Distributed costs**

Included in the expenses listed above are the costs of corporate services provided by LPI to the other divisions of Lands for which no revenues are received.

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Employee related | 4,347 | 4,013 |
| Other operating expenses | 1,564 | 945 |
| | **5,911** | **4,958** |

## 4. INDIVIDUALLY SIGNIFICANT ITEMS

There is no individually significant item this year.

## 5. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Cash at bank and on hand | 35,347 | 42,609 |
| | **35,347** | **42,609** |

For the purposes of the Cash Flow Statement, cash includes cash on hand and cash at bank. Cash and cash equivalents assets recognised in the Balance Sheet are reconciled to cash at the end of the financial year as shown in the Cash Flow Statement as follows:

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Cash and cash equivalents (per Balance Sheet) | 35,347 | 42,609 |
| **Closing cash and cash equivalents (as per Cash Flow Statement)** | **35,347** | **42,609** |

## 6. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Current receivables** | | |
| Sale of goods and services | 7,921 | 5,554 |
| *Less:* Allowance for impairment | (154) | (20) |
| GST receivable | 699 | 1,621 |
| Interest receivable | 208 | 1,224 |
| Other receivables | 131 | - |
| Prepayments | 1,702 | 1,767 |
| | **10,507** | **10,146** |
| **Movement in allowance for impairment** | | |
| Balance at 1 July | 20 | 8 |
| Amounts written off during the year | (51) | (129) |
| Amounts recovered during the year | - | - |
| Increase/(decrease) in allowance recognised in profit or loss | 185 | 141 |
| **Balance at 30 June** | **154** | **20** |

## 7. CURRENT/NON-CURRENT ASSETS – INVENTORIES

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Current inventories** | | |
| At cost | | |
| Goods for resale | 150 | 204 |
| | **150** | **204** |
| **Non-current inventories** | | |
| At cost | | |
| Goods for resale | 1,513 | 1,571 |
| | **1,513** | **1,571** |

Goods for resale (map stocks) are split 9% (2008 – 11.5%) current which is expected to be sold within the twelve months after the reporting date and 91% (2008 – 88.5%) non-current. The split is based on the entity's normal operating cycle.

There was no write down of inventories during the financial year ended 30 June 2009 (2008 – NIL).

## 8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

| | Land and Buildings $'000 | Plant and Equipment $'000 | Total $'000 |
|---|---|---|---|
| **At 1 July 2008 - fair value** | | | |
| Cost (gross carrying amount) | 70,326 | 40,984 | 111,310 |
| Accumulated depreciation and impairment | (724) | (27,275) | (27,999) |
| **Net carrying amount** | **69,602** | **13,709** | **83,311** |
| **At 30 June 2009 - fair value** | | | |
| Cost (gross carrying amount) | 82,527 | 43,549 | 126,076 |
| Accumulated depreciation and impairment | (1,214) | (29,462) | (30,676) |
| **Net carrying amount** | **81,313** | **14,087** | **95,400** |

**Reconciliation**

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

| | | | |
|---|---|---|---|
| **Year ended 30 June 2009** | | | |
| Net carrying amount at start of year | 69,602 | 13,709 | 83,311 |
| Additions | 1,201 | 4,896 | 6,097 |
| Disposals | - | (10) | (10) |
| Revaluation increment | 11,004 | - | 11,004 |
| Reclassification | (4) | 4 | - |
| Depreciation expense | (490) | (4,512) | (5,002) |
| **Net carrying amount at end of year** | **81,313** | **14,087** | **95,400** |
| **At 1 July 2007 - fair value** | | | |
| Cost (gross carrying amount) | 66,966 | 38,869 | 105,835 |
| Accumulated depreciation and impairment | (426) | (25,283) | (25,709) |
| **Net carrying amount** | **66,540** | **13,586** | **80,126** |
| **At 30 June 2008 - fair value** | | | |
| Cost (gross carrying amount) | 70,326 | 40,984 | 111,310 |
| Accumulated depreciation and impairment | (724) | (27,275) | (27,999) |
| **Net carrying amount** | **69,602** | **13,709** | **83,311** |

*8. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT cont.*

**Reconciliation**

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below:

| | Land and buildings $'000 | Plant and equipment $'000 | Total $'000 |
|---|---|---|---|
| **Year ended 30 June 2008** | | | |
| Net carrying amount at start of year | 66,540 | 13,586 | 80,126 |
| Additions | 3,360 | 4,576 | 7,936 |
| Disposals | - | (17) | (17) |
| Depreciation expense | (298) | (4,436) | (4,734) |
| **Net carrying amount at end of year** | **69,602** | **13,709** | **83,311** |

## 9. INTANGIBLE ASSETS

| | Software $'000 | Total $'000 |
|---|---|---|
| **At 1 July 2008** | | |
| Cost (gross carrying amount) | 70,834 | 70,834 |
| Accumulated amortisation and impairment | (40,373) | (40,373) |
| **Net carrying amount** | **30,461** | **30,461** |
| | | |
| **At 30 June 2009** | | |
| Cost (gross carrying amount) | 81,422 | 81,422 |
| Accumulated amortisation and impairment | (51,356) | (51,356) |
| **Net carrying amount** | **30,066** | **30,066** |
| | | |
| **Year ended 30 June 2009** | | |
| Net carrying amount at start of year | 30,461 | 30,461 |
| Additions | | |
| - external acquired | 601 | 601 |
| - internally developed | 9,988 | 9,988 |
| Reclassification | - | - |
| Amortisation expense | (10,984) | (10,984) |
| **Net carrying amount at end of year** | **30,066** | **30,066** |
| | | |
| **At 1 July 2007** | | |
| Cost (gross carrying amount) | 59,750 | 59,750 |
| Accumulated amortisation and impairment | (30,849) | (30,849) |
| **Net carrying amount** | **28,901** | **28,901** |
| | | |
| **At 30 June 2008** | | |
| Cost (gross carrying amount) | 70,834 | 70,834 |
| Accumulated amortisation and impairment | (40,373) | (40,373) |
| **Net carrying amount** | **30,461** | **30,461** |
| | | |
| **Year ended 30 June 2008** | | |
| Net carrying amount at start of year | 28,901 | 28,901 |
| Additions | | |
| - external acquired | 863 | 863 |
| - internally developed | 10,221 | 10,221 |
| Reclassification | - | - |
| Amortisation expense | (9,524) | (9,524) |
| **Net carrying amount at end of year** | **30,461** | **30,461** |

## 10. RESTRICTED ASSETS

**Torrens Assurance Fund – Special Deposit Account**

LPI operates the Torrens Assurance Fund within the Special Deposit Accounts. The fund was established under Section 134 (1) of the *Real Property Act 1900*. It meets claims for losses arising out of fraud or agency error and is funded by a $4 charge on each land dealing lodged. The following is a summary of transactions in the Torrens Assurance Fund.

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Opening balance at beginning of year | 18,407 | 17,554 |
| Add: Revenue (see note 2b) | 2,917 | 3,196 |
| *Less:* Expenditure (see note 3f) | (4,780) | (2,343) |
| **Balance at end of Year** | **16,544** | **18,407** |

The above transactions and balances have been recognised in LPI's financial statements.

## 11. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Accrued salaries, wages and on-costs | 1,954 | 1,761 |
| Creditors | 4,494 | 5,992 |
| Income received in advance | 80 | 40 |
| Contribution to Consolidated Fund | 11,389 | 18,976 |
| Income tax equivalent payable | 1,974 | 5,802 |
| Other | 354 | 267 |
| | **20,245** | **32,838** |

## 12. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Employee benefits and related on-costs - current** | | |
| Recreation leave | 7,760 | 7,203 |
| Long service leave | 36,349 | 32,248 |
| Oncosts on employee benefits | 5,272 | 4,076 |
| | **49,381** | **43,527** |
| **Employee benefits and related on-costs - non-current** | | |
| Long service leave | 257 | 115 |
| Superannuation | 135,933 | 13,292 |
| Oncosts on employee benefits | 16 | 9 |
| | **136,206** | **13,416** |
| **Other provisions - non-current** | | |
| Provision for make good | 216 | - |
| Provision for lease incentive | 52 | - |
| | **268** | **-** |
| **Total provisions** | **185,855** | **56,943** |
| **Aggregate employee entitlements** | | |
| Provisions – current | 49,381 | 43,527 |
| Provisions – non-current | 136,206 | 13,416 |
| Accrued salaries and wages | 1,954 | 1,761 |
| | **187,541** | **58,704** |
| The amount of leave liability expected to be settled: | | |
| Within 12 months | 8,446 | 13,429 |
| After 12 months | 35,920 | 26,137 |
| | **44,366** | **39,566** |

**Movements in provisions (other than employee benefits)**

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

| 2009 | Make good $'000 | Lease incentive $'000 | Total $'000 |
|---|---|---|---|
| Carrying amount at the beginning of financial year | - | - | - |
| Additional provisions recognised | 259 | 70 | 329 |
| Amounts used | (43) | (18) | (61) |
| **Carrying amount at the end of financial year** | **216** | **52** | **268** |

### a. Superannuation liability

LPI is responsible for funding the employer's superannuation liability through monthly contributions to LPI's reserve account held by Pillar Administration. Superannuation payments to retired employees are made out of this reserve account. Periodically LPI's reserve account balance is augmented by interest distributions made at the discretion of Pillar Administration. LPI has no control over interest distributions. The reserve account can only be used for the settlement of superannuation liabilities.

Actuarial gains and losses are recognised immediately in surplus and deficit in the year in which they occur.

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the schemes are closed to new members.

*12. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS | A. SUPERANNUATION LIABILITY cont.*

**Superannuation position using AASB 119 basis**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| **Superannuation position for AASB 119 purposes** | | | | | | | | |
| Accrued liability | 37,223 | 34,028 | 18,934 | 17,328 | 413,287 | 329,294 | 469,444 | 380,650 |
| Estimated reserve account balance | (34,920) | (37,148) | (18,137) | (20,264) | (280,454) | (316,002) | (333,511) | (373,414) |
| **Net (asset)/liability** | **2,303** | **(3,120)** | **797** | **(2,936)** | **132,833** | **13,292** | **135,933** | **7,236** |
| Future service liability | (9,444) | (8,375) | (7,342) | (6,286) | (21,253) | (15,412) | (38,039) | (30,073) |
| **Net (asset)/liability to be recognised in balance sheet** | **2,303** | **(3,120)** | **797** | **(2,936)** | **132,833** | **13,292** | **135,933** | **7,236** |

For 2008 balance sheet reports the SASS and SANCS scheme assets of $6.056m in non-current assets and the SSS scheme liabilities of $13.292m in Non-Current Liabilities.

**Reconciliation of the present value of the defined benefit obligation**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| *Present value of partly funded defined benefit obligations at beginning of the year* | 34,028 | 32,861 | 17,328 | 16,699 | 329,294 | 320,234 | 380,650 | 369,794 |
| Current service cost | 1,431 | 1,371 | 884 | 901 | 2,583 | 2,704 | 4,898 | 4,976 |
| Interest cost | 2,164 | 2,049 | 1,084 | 1,021 | 21,217 | 20,160 | 24,465 | 23,230 |
| Contributions by fund participants | 811 | 775 | - | - | 3,583 | 3,669 | 4,394 | 4,444 |
| Actuarial (gains)/losses | 579 | (1,219) | 810 | 133 | 75,202 | (2,626) | 76,591 | (3,712) |
| Benefits paid | (1,790) | (1,809) | (1,172) | (1,426) | (18,591) | (14,847) | (21,553) | (18,082) |
| **Present value of partly funded defined benefit obligations at end of the year** | **37,223** | **34,028** | **18,934** | **17,328** | **413,288** | **329,294** | **469,445** | **380,650** |

**Reconciliation of the fair value of fund assets**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| *Fair value of fund assets at beginning of the year* | 37,148 | 31,537 | 20,264 | 17,859 | 316,002 | 351,973 | 373,414 | 401,369 |
| Expected return on fund assets | 3,000 | 2,409 | 1,624 | 1,401 | 25,481 | 27,308 | 30,105 | 31,118 |
| Actuarial gains / (losses) | (5,844) | (3,912) | (3,601) | (2,506) | (51,718) | (47,850) | (61,163) | (54,268) |
| Employer contributions | 1,595 | 8,147 | 1,022 | 4,936 | 5,697 | (4,251) | 8,314 | 8,832 |
| Contributions by fund participants | 811 | 776 | - | - | 3,583 | 3,669 | 4,394 | 4,445 |
| Benefits paid | (1,790) | (1,809) | (1,172) | (1,426) | (18,591) | (14,847) | (21,553) | (18,082) |
| **Fair value of fund assets at end of the year** | **34,920** | **37,148** | **18,137** | **20,264** | **280,454** | **316,002** | **333,511** | **373,414** |

**Reconciliation of the assets and liabilities recognised in the balance sheet**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| *Present value of partly funded defined benefit obligations at end of year* | 37,223 | 34,028 | 18,934 | 17,328 | 413,287 | 329,293 | 469,444 | 380,649 |
| Fair value of fund assets at end of year | (34,920) | (37,148) | (18,137) | (20,264) | (280,454) | (316,002) | (333,511) | (373,414) |
| Subtotal | (2,303) | (3,120) | (797) | (2,936) | 132,833 | 13,291 | 135,933 | 7,235 |
| **Net (asset)/liability to be recognised in balance sheet** | **(2,303)** | **(3,120)** | **(797)** | **(2,936)** | **132,833** | **13,291** | **135,933** | **7,235** |

**Expense recognised in income statement**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Current service cost | 1,431 | 1,371 | 884 | 901 | 2,583 | 2,704 | 4,898 | 4,976 |
| Interest cost | 2,164 | 2,049 | 1,084 | 1,021 | 21,217 | 20,160 | 24,465 | 23,230 |
| Expected return on fund assets (net of expenses) | (3,000) | (2,409) | (1,624) | (1,401) | (25,481) | (27,308) | (30,105) | (31,118) |
| Actuarial losses/(gains) recognised in year | - | - | - | - | - | - | - | - |
| **Expense/(income) recognised** | **595** | **1,011** | **344** | **521** | **(1,681)** | **(4,444)** | **(742)** | **(2,912)** |

*12. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS | A. SUPERANNUATION LIABILITY cont.*

**Amounts recognised in the statement of recognised income and expense**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $ | 2008 $ | 2009 $ | 2008 $ | 2009 $ | 2008 $ | 2009 $ | 2008 $ |
| Actuarial (gains)/losses | 6,423 | 2,693 | 4,411 | 2,639 | 126,920 | 45,224 | 137,754 | 50,556 |
| Adjustment for limit on net asset | - | - | - | - | - | - | - | - |

The cumulative amount of actuarial losses recognised in the 'statement of recognised income and expense' from 2004/05 onwards is $86.77m.

**Fund assets**

The percentage invested in each asset class at the balance sheet date:

| | 2009 | 2008 |
|---|---|---|
| Australian equities | 32.1% | 31.6% |
| Overseas equities | 26.0% | 25.4% |
| Australian fixed interest securities | 6.2% | 7.4% |
| Overseas fixed interest securities | 4.7% | 7.5% |
| Property | 10.0% | 11.0% |
| Cash | 8.0% | 6.1% |
| Other | 13.0% | 11.0% |

**Fair value of fund assets**

All fund assets are invested by Superannuation Trustee Corporation (STC) at arm's length through independent fund managers.

**Expected rate of return on assets**

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

**Actual return on fund assets**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Actual return on fund assets | (3,643) | (2,082) | (1,977) | (1,105) | (30,814) | (22,933) | (36,434) | (26,120) |

**Valuation method and principal actuarial assumptions at the balance sheet date**

*(i) Valuation method*

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

| *(ii) Economic assumptions* | 2009 % | 2008 % |
|---|---|---|
| Salary increase rate (excluding promotional increases) | 3.5 pa | 3.5 pa |
| Discount rate | 5.59 pa | 6.55 pa |
| Expected rate of return on assets backing current pension liabilities | 8.13 pa | 8.3 pa |
| Expected rate of return on assets backing other liabilities | 8.13 pa | 7.3 pa |
| Rate of CPI Increase | 2.5 pa | 2.5 pa |

*(iii) Demographic assumptions*

The demographic assumptions at 30 June 2009 are those that will be used in the 2009 triennial actuarial valuation. The triennial review report will be available from the NSW Treasury website, after it is tabled in Parliament in December 2009.

**Historical information**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Present value of defined benefit obligation | 37,223 | 34,028 | 18,934 | 17,328 | 413,287 | 329,294 | 469,444 | 380,650 |
| Fair value of fund assets | (34,920) | (37,148) | (18,137) | (20,264) | (280,454) | (316,002) | 333,511 | (373,414) |
| (Surplus)/deficit in fund | 2,303 | (3,120) | 797 | (2,936) | 132,833 | 13,292 | 135,933 | 7,236 |
| Experience adjustments – fund liabilities | 579 | (1,219) | 810 | 133 | 75,202 | (2,626) | 76,591 | (3,712) |
| Experience adjustments – fund assets | 5,844 | 3,912 | 3,601 | 2,506 | 51,718 | 47,850 | 61,163 | 54,268 |

**Expected contributions**

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Expected employer contributions | 1,541 | 1,473 | 1,012 | 1,023 | 5,733 | 5,870 | 8,286 | 8,366 |

*12. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS | A. SUPERANNUATION LIABILITY cont.*

**Funding arrangements for employer contributions**

*(i) (Surplus)/deficit*

The following is a summary of the 30 June financial position of the fund calculated in accordance with AAS 25 – *Financial Reporting by Superannuation Plans*.

| | SASS | | SANCS | | SSS | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| Accrued benefits | 34,693 | 34,007 | 17,389 | 17,420 | 300,262 | 304,292 | 352,344 | 355,719 |
| Net market value of fund assets | (34,920) | (37,148) | (18,137) | (20,264) | (280,454) | (316,002) | (333,511) | (373,414) |
| **Net (surplus)/deficit** | **(227)** | **(3,141)** | **(748)** | **(2,844)** | **19,808** | **(11,710)** | **18,833** | **(17,695)** |

*(ii) Contribution recommendations*

Recommended contribution rates for the entity are:

| SASS multiple of member contributions | | SANCS % member salary | | SSS multiple of member contributions | |
|---|---|---|---|---|---|
| 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| 1.9 | 1.9 | 2.5 | 2.5 | 1.6 | 1.6 |

*(iii) Funding method*

The method used to determine the employer contribution recommendations in the 2006 actuarial review was the *Aggregate Funding* method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

*(iv) Economic assumptions*

The economic assumptions adopted for the last actuarial review of the fund were:

| Weighted-average assumptions | 2009 % | 2008 % |
|---|---|---|
| Expected rate of return on fund assets backing current pension liabilities | 8.3 | 7.7 |
| Expected rate of return on fund assets backing other liabilities | 7.3 | 7.0 |
| Expected salary increase rate | 4.0 | 4.0 |
| Expected rate of CPI Increase | 2.5 | 2.5 |

**Nature of asset/liability**

If a surplus exists in the employer's interest in the fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of fund assets and the defined benefit obligation.

## 13. CHANGES IN EQUITY

| | Retained Earnings | | Asset Revaluation Reserve | | Total Equity | |
|---|---|---|---|---|---|---|
| | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 | 2009 $'000 | 2008 $'000 |
| **Balance at the beginning of the financial year** | **70,458** | **105,921** | **14,119** | **14,119** | **84,577** | **120,040** |
| **Changes in equity - transactions with owners as owners** | | | | | | |
| Contributions to Consolidated Fund | (11,389) | (18,977) | - | - | (11,389) | (18,977) |
| **Total** | **(11,389)** | **(18,977)** | **-** | **-** | **(11,389)** | **(18,977)** |
| **Changes in equity - other than transactions with owners as owners** | | | | | | |
| Surplus for the year | 20,445 | 34,070 | - | - | 20,445 | 34,070 |
| Asset revaluation | - | - | 11,004 | - | 11,004 | - |
| Superannuation actuarial gains / (losses) | (137,754) | (50,556) | - | - | (137,754) | (50,556) |
| **Total** | **(117,309)** | **(16,486)** | **11,004** | **-** | **(106,305)** | **(16,486)** |
| **Balance at the end of the financial year** | **(58,240)** | **70,458** | **25,123** | **14,119** | **(33,117)** | **84,577** |

## 14. COMMITMENTS FOR EXPENDITURE

**a. Capital commitments**

Aggregate capital expenditure for acquisition of items contracted for at balance date and not provided for:

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Not later than 1 year | 1,767 | 2,243 |
| **Total (including GST)** | **1,767** | **2,243** |

*14. COMMITMENTS FOR EXPENDITURE cont.*

**b. Other expenditure commitments**

Aggregated below are commitments for the acquisition of items contracted for at reporting date including mass valuation contracts with various suppliers and other expenditures.

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Not later than one year | 16,871 | 17,372 |
| Later than one and not later than five years | 4,576 | 10,548 |
| **Total (including GST)** | **21,447** | **27,920** |

**c. Operating lease commitments – as lessee**

LPI has entered into commercial property leases and commercial leases on certain motor vehicles and items of telecommunication equipment. These leases have an average life of between three and seven years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases for accommodation and motor vehicle for varying contract periods/suppliers:

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Not later than 1 year | 1,503 | 1,291 |
| Later than 1 year but not later than 5 years | 1,308 | 1,100 |
| **Total (including GST)** | **2,811** | **2,391** |

The total capital commitments, other expenditure commitments and operating lease commitments above include input tax credits of $2.366m (2008 - $2.959m) that are expected to be recovered from the Australian Taxation Office.

## 15. CONTINGENT LIABILITIES

LPI maintains a special deposit account (Torrens Assurance Fund) for claims arising through fraud or Departmental error. As at 30 June 2009 known claims were assessed to have an estimated gross liability of $13.865m (2008 - $15.956m). These liabilities have been estimated on the assumption that all disputed claims will be lost by LPI.

LPI has received a claim in respect of copyright royalties, relating to the sale of plans containing surveyor's drawings. At this stage, LPI is not able to determine a reliable estimate of the potential costs involved, as this matter is in dispute. Therefore, this has been identified as a contingent liability and no provision has been made for any future liability.

## 16. RECONCILIATION OF SURPLUS FOR THE YEAR TO CASH FLOWS FROM OPERATING ACTIVITIES

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| **Net surplus** | **20,445** | **34,070** |
| **Adjustment for non-cash items** | | |
| Depreciation and amortisation | 15,986 | 14,258 |
| Net loss/(gain) on disposal of property plant and equipment | 4 | 2 |
| **Changes in assets and liabilities** | | |
| (Increase)/decrease in trade and other receivables | (360) | 2,399 |
| (Increase)/decrease in inventories | 112 | (16) |
| (Increase)/decrease in other assets | 6,056 | 26,844 |
| Increase/(decrease) in provisions | (8,842) | (37,245) |
| Increase/(decrease) in trade and other payables | (4,970) | (1,075) |
| **Net cash from operating activities** | **28,431** | **39,237** |

## 17. FINANCIAL INSTRUMENTS

LPI's principal financial instruments are outlined below. These financial instruments arise directly from LPI's operations or are required to finance LPI's operations. LPI does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

LPI's main risks arising from financial instruments are outlined below, together with LPI's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Director General of the Department of Lands has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by LPI, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by Lands Audit and Risk Committee and internal auditors on a continuous basis.

*17. FINANCIAL INSTRUMENTS cont.*

**a. Financial instrument categories**

| Class: | Note | Category | 2009 $'000 Carrying Amount | 2008 $'000 Carrying Amount |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | 5 | n/a | 35,347 | 42,609 |
| Receivables[1] | 6 | Receivables measured at cost | 8,106 | 6,759 |
| **Financial liabilities** | | | | |
| Payables[2] | 11 | Payables measured at cost | 4,848 | 6,259 |

**Notes:**

1 Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

2 Excludes statutory liabilities and unearned revenue (i.e. not within scope of AASB 7).

**b. Credit risk**

Credit risk arises when there is the possibility of LPI's debtors defaulting on their contractual obligations, resulting in a financial loss to LPI. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of LPI, including cash and receivables. LPI has not granted any financial guarantees. Credit risk associated with LPI's financial assets, is managed through the selection of counterparties, establishment of minimum credit rating standards and careful management of customer credit arrangements. Bank guarantees are also held for customers with large regular dealings with LPI.

**Cash**

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

**Receivables - trade debtors**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance or impairment). No interest is earned on trade debtors. Sales are made on terms ranging from zero to 30 days.

LPI is not materially exposed to concentrations of credit risk from a single trade debtor or group of debtors. Based on past experience, debtors that are not past due and not more than 90 days past due are not considered impaired.

The only financial assets that are past due or impaired are within 'sale of goods and services' in the 'receivables' category of the balance sheet.

| | | Past Due but Not Impaired $'000 | | | |
|---|---|---|---|---|---|
| | Total $'000 | <3 months overdue | 3-6 months overdue | >6 months overdue | Considered Impaired $'000 |
| **2009** | | | | | |
| Receivables | 3,358 | 2,984 | 27 | 193 | 154 |
| **2008** | | | | | |
| Receivables | 2,104 | 2,042 | 42 | - | 20 |

The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired.

**c. Liquidity risk**

Liquidity risk is the risk that LPI will be unable to meet its payment obligations when they fall due. LPI continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

**LPI has the following credit standby arrangements.**

| | 2009 Limit $'000 | 2008 Limit $'000 |
|---|---|---|
| Cheque cashing authority | 66 | 68 |
| MasterCard | 166 | 166 |
| | **232** | **234** |

During the current and prior years, no assets have been pledged as collateral. LPI does not have any bank overdraft facility. LPI's exposure to liquidity risk is deemed insignificant, based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

*17. FINANCIAL INSTRUMENTS | C. LIQUIDITY RISK cont.*

The table below summarises the maturity profile of LPI's financial liabilities, together with the interest rate exposure.

| | | | Interest Rate Exposure | | | Maturity Dates | | |
|---|---|---|---|---|---|---|---|---|
| | Weighted Average Effective Interest Rate % | Nominal Amount $'000 | Fixed Interest Rate $'000 | Variable Interest Rate $'000 | Non-interest Bearing $'000 | 1 year or less $'000 | 1 to 5 years $'000 | Over 5 years $'000 |
| **2009** | | | | | | | | |
| Trade and other payables | | 4,848 | - | - | 4,848 | 4,848 | - | - |
| **Total financial liabilities** | | **4,848** | **-** | **-** | **4,848** | **4,848** | **-** | **-** |
| **2008** | | | | | | | | |
| Trade and other payables | | 6,259 | - | - | 6,259 | 6,259 | - | - |
| **Total financial liabilities** | | **6,259** | **-** | **-** | **6,259** | **6,259** | **-** | **-** |

**Notes:**

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

**d. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. LPI has no exposure to foreign currency risk and does not enter into commodity contracts.

**Interest rate risk**

LPI does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonable possible change of +/-1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. LPI's exposure to interest rate risk is set out below.

| | | $'000 -1% | | $'000 1% | |
|---|---|---|---|---|---|
| | Carrying amount | Profit | Equity | Profit | Equity |
| **2009** | | | | | |
| **Financial assets** | | | | | |
| Cash and cash equivalent | 35,347 | (353) | (353) | 353 | 353 |
| **2008** | | | | | |
| **Financial assets** | | | | | |
| Cash and cash equivalent | 42,609 | (426) | (426) | 426 | 426 |

## 18. AFTER BALANCE DATE EVENTS

Since balance date, the *Public Sector Employment and Management (Departmental Amalgamation) Order 2009* transferred all branches of the Department of Lands to the Land and Property Management Authority and abolished the Department of Lands.

END OF AUDITED FINANCIAL REPORT

# 10 APPENDIXES

## Contents

The information in these appendixes relates solely to the NSW Department of Lands, its divisions and the Office of the Valuer General. All information regarding the Geographical Names Board, the Office of Rural Affairs and the Office of Biofuels can be found within their own reports.


1 Acts administered by Lands
2 Chief and senior executive staff
3 Code of conduct
4 Privacy management plan
5 Consumer response
6 Committees
7 Credit card certification
8 Consultants
9 Disability action plan
10 Waste reduction and purchasing policy
11 Employee relations
12 Land disposal
13 Equal employment opportunities (EEO)
14 Ethnic Affairs Priorities Statement (EAPS)
15 Freedom of information (FOI)
16 Guarantee of customer service
17 Funds granted to non-government community organisations
18 Heritage assets
19 Legislation and legal change
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21 Research and development
22 Major works
23 Marketing communication outcomes
24 Occupational health and safety (OHS)
25 Overseas travel
26 Price determination
27 Payment of accounts
28 Publications
29 Risk management and insurance
30 Sponsorships


## 1. Acts administered by Lands

*Access to Neighbouring Land Act 2000 No 2*
*Australian Lubricating Oil Refinery Limited Agreement Ratification Act 1962 No 16*
*Australian Oil Refining Limited Agreement Ratification Act 1954 No 34*
*Biofuel (Ethanol Content) Act 2007 No. 23*
*Botany Bay National Park (Helicopter Base Relocation) Act 2004 No 27*
*Botany Cemetery and Crematorium Act 1972 No 6*
*Camperdown Cemetery Act 1948 No 14*
*Chipping Norton Lake Authority Act 1977 No 38*
*Christ Church Cathedral, Newcastle, Cemetery Act 1966 No 20*
*Commons Management Act 1989 No 13*
*Community Land Development Act 1989 No 201*
*Conversion of Cemeteries Act 1974 No 17*
*Conveyancing Act 1919 No 6*
*Conveyancing and Law of Property Act 1898 No 17*
*Crown Lands Act 1989 No 6* (except parts, the Minister for Climate Change and the Environment, parts, the Minister for Planning, and parts, the Minister for Sport and Recreation)
*Crown Lands (Continued Tenures) Act 1989 No 7*
*Dividing Fences Act 1991 No 72*
*Encroachment of Buildings Act 1922 No 23*
*Forestry (Darling Mills State Forest Revocation) Act 2005 No 2*
*Geographical Names Act 1966 No 13*
*Gore Hill Memorial Cemetery Act 1986 No 116*
*Gosford Cemeteries Act 1970 No 84*
*Growth Centres (Development Corporations) Act 1974 No. 49* (other than section 5 and Part 3A, Division 3)
*Hay Irrigation Act 1902 No 57*
*Irrigation Areas (Reduction of Rents) Act 1974 No 83*
*Land Agents Act 1927 No 3*
*Land Sales Act 1964 No 12*
*Mudgee Cemeteries Act 1963 No 2*
*Murrumbidgee Irrigation Areas Occupiers Relief Act 1934 No 52*
*Native Title (New South Wales) Act 1994 No 45*
*Old Balmain (Leichhardt) Cemetery Act 1941 No 12*
*Old Liverpool Cemetery Act 1970 No 49*
*Old Roman Catholic Cemetery, Crown Street, Wollongong, Act 1969 No 56*
*Old Wallsend Cemetery Act 1953 No 5*
*Parramatta Methodist Cemetery Act 1961 No 44*
*Perpetuities Act 1984 No 43*
*Powers of Attorney Act 2003 No 53*
*Public Reserves Management Fund Act 1987 No 179*
*Queanbeyan Showground (Variation of Purposes) Act 1995 No 14*
*Real Property Act 1900 No 25*
*Real Property (Legal Proceedings) Act 1970 No 92*
*Registrar-General Act 1973 No 67*
*Roads Act 1993 No 33*, parts 2, 4 and 12 (section 178 (2) excepted) and section 148; and the remaining provisions of the Act so far as they relate to Crown roads (remainder, the Minister for Climate Change and the Environment, the Minister for Roads, and the Minister for Local Government)
*Rookwood Necropolis Act 1901 (1902 No 20)*
*St. Andrew's Church of England, Mayfield, Cemetery Act 1957 No 39*
*St. Andrew's Presbyterian Church, Woonona, Cemetery Act 1966 No 6*
*St. Anne's Church of England, Ryde, Act 1968 No 47*
*St. George's Church of England, Hurstville, Cemetery Act 1961 No 63*
*St. Peter's Church of England, Cook's River, Cemetery Act 1968 No 48*
*St. Thomas' Church of England, North Sydney, Cemetery Act 1967 No 22*
*Security Interests in Goods Act 2005 No 69*
*Soil Conservation Act 1938 No 10* (except Parts 2A, 3 and 4, and sections 15 and 30A in so far as they relate to Parts 2A, 3 or 4, jointly with the Minister for Climate Change and the Environment)
*Strata Schemes (Freehold Development) Act 1973 No 68*
*Strata Schemes (Leasehold Development) Act 1986 No 219*
*Surveying Act 2002 No 83*
*Transfer of Records Act 1923 No 14*
*Trustees of Schools of Arts Enabling Act 1902 No 68*
*Tweed River Entrance Sand Bypassing Act 1995 No 55*
*Valuation of Land Act 1916 No 2*
*Voluntary Workers (Soldiers' Holdings) Act 1917 No 25*
*Wagga Wagga Racecourse Act 1993 No 109*, sections 4 and 5 (remainder, the Minister for Gaming and Racing)
*Wentworth Irrigation Act 1890 54 Vic No 7*
*Western Lands Act 1901 No 70*
*Wild Dog Destruction Act 1921 No 17*

## 2. Chief and senior executive staff

### Warwick Watkins

Director General, Surveyor General and Registrar General, SES level 7
Total remuneration package: $419,450
Period in position: Whole year
Performance review by Minister for Lands

**Performance highlights**

- Actively collaborated with other chief executives on key State Plan and other related targets and integrated whole of government programs and projects.
- Directed and coordinated the targeted development of Lands strategies to align with the State Plan.
- Continued targeted reviews of legislation and implemented policy and program changes in the statutory areas of the Registrar General and Surveyor General, including significant legislative change to the *Real Property Act 1900* and the *Surveying Act 2002*.
- Focused upon business development, improvement of delivery mechanisms and access to services including information related services and activities concerning soil and earth works, environmental consultancy with special attention to the development of a new state soils policy and implementation of the approved SCS business plan.
- Initiated strategies with the Lands executive to address emerging workforce issues including training and development and workforce planning.
- Maintained leadership role of the agency in relation to land and spatial information through the provision of quality information and supporting and enhancing appropriate information sharing between sectors and agency clusters and implemented the whole of government CS2I spatial initiative, including the establishment of the Spatial Council.
- Developed and implemented strategies designed to improve OHS performance.
- Managed the operations of Lands such that revenue targets for LPI, Crown Lands and Soil Conservation Service divisions were achieved.
- Chaired and actively participated on deliberations of the Geographic Names Board and Board of Surveying and Spatial Information, including the finalisation of the review of the *Surveying Act 2002*.
- Directed the enhancement of the Spatial Information eXchange (SIX) as the spatial platform for NSW and lead the collaborative effort across the public sector, including the creation of key specialist portals.
- Facilitated strong inter-organisational engagement in education, research and cross jurisdictional activities through the following positions: Deputy Chancellor University of Technology Sydney, Chair ANZLIC, Deputy Chair CRC Spatial Information, Member of the Australian Water Information Council and Deputy Chair Water for a Healthy Country CSIRO Flagship and Chair of the Australian Spatial Consortium.
- Fostered research partnerships relating to issues confronting the agency including intellectual capital reporting, spatial information and fostered strong ties with tertiary and other academic institutions.

### Des Mooney

Deputy Director General of Lands and General Manager, Land and Property

Information division, SES level 5
Remuneration package: $286,850
Period in position: Whole year
Performance review by Director General

**Performance highlights**

Maintained profitability of LPI against a backdrop of a depressed property market in NSW and the world economic downturn by:

- continuing to contain costs and improve productivity
- ensuring our pricing of products and services truly reflects the efficient costs of doing business
- improving access to our products and services
- driving micro-economic reforms across LPI.

Pursued initiatives at a national level through:

- membership of the National Electronic Conveyancing Steering Committee and the development of the parallel NSW NECS Program
- collaborating with PSMA Ltd with particular emphasis on LYNX-2 to ensure easier access and distribution of state and national data sets
- supporting research and development through support of our Co-operation Research Centre for Spatial Information (CRC-SI) and providing oversight of the work program of the LPI/UNSW/CRC-SI Associate Professor in Spatial Information initiative.

Implemented the Lands Spatial Data Infrastructure (L-SDI) through:

- review and implementation of new direction for spatial services within LPI
- implementation of LiDAR technology and program into NSW
- completion of the Geocoded Urban and Rural Addressing Service into LPI
- supporting the spatial council and CS2i initiatives.

Developed new and improved products and services by:

- expanding the customised channels on the Spatial Information Exchange (SiX)
- implementing stage 1 of the Continuing Operating Reference Stations (CORS) positioning technology's expansion
- expanding the asset valuation business across NSW.

Ensured continuing business sustainability through:

- development of a revised strategic plan (CCIDM)
- continuation of Vision 2013
- commencing the development of a Vision 2020 for workforce planning.

**Chief and senior executive service numbers – as at 30 June 2009**

| | 2004/05 | | 2005/06 | | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---|---|---|---|---|---|---|---|---|---|
| **SES level** | **Male** | **Female** | **Male** | **Female** | **Male** | **Female** | **Male** | **Female** | **Male** | **Female** |
| 8 | - | - | - | - | - | - | - | - | - | - |
| 7 | 1 | - | 1 | - | 1 | - | 1 | - | 1 | - |
| 6 | - | - | - | - | - | - | - | - | - | - |
| 5 | 2 | - | 2 | - | 1 | - | 1 | - | 1 | - |
| 4 | 1 | - | 1 | - | 2 | - | 2 | - | 3 | - |
| 3 | 2 | - | 2 | - | 1 | - | 3 | - | 2 | - |
| 2 | 6 | - | 6 | - | 7 | - | 7 | - | 5 | 1 |
| 1 | - | 1 | 1 | 1 | 1 | - | 1 | - | 1 | - |
| **Total** | **12** | **1** | **13** | **1** | **13** | **0** | **15** | **0** | **13** | **1** |

## 3. Code of Conduct

All Lands administrative areas, the Geographical Names Board and the Board of Surveying and Spatial Information fall under Lands' code of conduct. There were no amendments or additions to the code during the reporting year.

A copy of the Lands' code of conduct is available on request from lands@lands.nsw.gov.au.

## 4. Privacy management plan

The following information is prepared in compliance with s.33 (3) *Privacy and Personal Information Protection Act 1998*, and reflects the activities of the Strategic Policy and Reporting Unit.

This brief statement reflects the actions taken by Lands in continuing to comply with the terms of the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Protection Act 2001.*

### Statement of action taken

During 2008/09 Lands' privacy management plan has been reviewed and updated. The reviewed plan will shortly be provided to the NSW Privacy Commissioner and made available via Lands' website to staff and members of the public.

Lands' privacy information is available at www.lands.nsw.gov.au and has also been reviewed during the current reporting period.

Lands continues to consider the legislation's application in relation to changing operational practices to ensure an appropriate measure of protection is in place in relation to the personal information held by the agency.

Advice is provided to staff on emerging issues and investigation of online staff learning and development options is currently being undertaken.

General privacy enquiries may be referred to:

Manager, Strategic Policy and Reporting
NSW Department of Lands
GPO Box 15
SYDNEY NSW 2000
T: 9236 7603

### Reviews

During the reporting period one application for an internal review was received by Lands, in accordance with part 53 of the *Privacy and Personal Information Protection Act 1998*.

The applicant alleged a breach of the *Privacy and Personal Information Protection Act 1998*, in relation to information obtained from the public register. Following an investigation of the circumstances no evidence of a breach of the information protection principles or misconduct of the agency was established. The matter was not appealed by the applicant.

## 5. Consumer response

### Land and Property Information (LPI)

LPI received feedback from 2,510 customers in 2008/09. This represents a 4,000% increase on 2007/08 results, due to active promotion and resourcing of the 'Customer is our focus' program which accounted for 2,204 customer responses.

Only 259 responses constituted complaints. Compliments related mainly to the efficiency and helpfulness of staff. Complaints and concerns related mainly to fees for service and facilities such as signage, temperature and access for the disabled in customer service areas. Private customers provided the bulk of feedback and compliments.

### Crown Lands

Crown Lands division (CLD) has a complaints handling system to improve:

- client satisfaction
- the reputation of CLD
- system and process to report the incidence complaints
- organisational knowledge and performance analysis of complaints information.

All complaints have been resolved within the target timeframes of 21 days.

### Soil Conservation Service (SCS)

The SCS integrated management system has specific procedures dealing with non-conformance, client complaints, preventive action control and internal quality audits.

Non-conformance in process and services are addressed through an improvement request. Any complaints received or improvement opportunities are recorded. Requests are dealt with promptly, reviewed by a management representative and incorporated into an annual management review of the quality system. A register is maintained and during 2008/09 of the 66 requests logged, 12 related to client complaints in relation to earthworks, 32 related to procedure improvements, nine related to OHS/environment/incident issues, four non-conformance in process matters, three related to audit findings and six other minor issues.

Three matters remained open at year's end of which two client complaints are still in negotiation. The large increase in requests logged this year reflects the introduction of OHS and environmental accreditation to the SCS management system requiring new procedures and numerous changes to existing procedures.

A customer survey was not undertaken during the year, a further survey is proposed for early 2010.

## 6. Committees

No significant Lands committees were abolished during 2008/09. No significant Lands committees were established during 2008/09.

### Significant Lands committees and the internal and external representatives

**Lands Audit & Risk Committee**
**Internal representatives**
Des Mooney, Philip Western, Eduardo Alegado, Kel O'Keefe

**External representatives**
Jim Mitchell (Chair), Ron Cunningham

**Lands Budget Committee**
**Internal representatives**
Warwick Watkins (Chair), Des Mooney, Graham Harding, Paul Jones, Bob Costello, Kimberley Taylor, Neville Hind, Ian Holt, George Georgijevic, Terry O'Brien (part year), Paul Robinson

**Lands Executive Team**
**Internal representatives**
Warwick Watkins (Chair), Des Mooney, Graham Harding, Paul Jones, Pedro Harris, Bob Costello, Kel O'Keefe, Ed Alegado, Tracey Prescott, Garry Greedy, Mark Matchett, Julie King, Ron Smith, Paul Robinson

**Joint Consultative Committee**
**Internal representatives**
Garry Greedy (Chair), Warwick Watkins, Des Mooney, Graham Harding, Paul Jones, Mark Matchett, Karen Dent (part year), Lesley Hume (part year), Ray Dowcra (Chair Lands DC), Anthony Craig (Queens Square Workplace), George Baitch (Bathurst Workplace), Bruce Waddington (Crown Lands), Lands PSA delegates

**External representatives**
Stephen Spencer (PSA Industrial Officer), Nick Player (PSA Industrial Officer), Michael Sinclair (PSA Organiser – part year)

**Land Valuation Specialist Advisory Group**
**Internal representatives**
Warwick Watkins (chair), Philip Western, Simon Gilkes

**External representatives**
John Hill, Nikki Kempson, Phil Lyons, Shaun McBride, Robert Farrell

**Crown Lands Board of Management**
**Internal representatives**
Graham Harding, Bob Costello, Stephen Francis, Adrian Harte, Graeme Ford, Craig Barnes, Craig Abbs, Ken Sullivan, Andrew McAnespie, Peter Walker (part year), Michael Kneipp (part year), Geoffrey Woods, Brett Phillips, Paul Robinson.

**Crown Lands Reserve Trust Management Steering Committee**
**Internal representatives**
Peter Houghton, John Filocamo, Donal O'Shea, Martin Sewell

**LPI Advisory Group**
**Internal representatives**
Warwick Watkins (Chair), Des Mooney

**External representatives**
Graeme Couch, Olaf (Ollie) Hedberg

**LPI National Electronic Conveyancing System Steering Committee**
**Internal representatives**
Des Mooney (Chair), Doug Walsham, Christopher White, Barry Douse, Paul Mitchell, Greg Channell, Eamon Mooney

**External representatives**
Chris Ailwood

**SCS Towards 2012**
**Internal representatives**
Paul Jones (Chair), Bob Costello, Ian Holt, David Howley, George Georgijevic

### Significant statutory body and inter-departmental committees with Lands representatives

**Aboriginal Heritage Mapping and Assessment Program (AHMAP) Working Group**
Warrick Beacroft, Executive Manager Information Sourcing

**Aboriginal Land Management Framework Committee**
Jennifer Jude, Director Native Title

**API National Council**
Philip Western, Junior Vice President

**API NSW Board**
Philip Western, Valuer General

**API Statutory Valuations Study Group**
Simon Gilkes, Chief Valuer (Secretary)

**Auscope GNSS Committee**
Doug Kinlyside, Manager Survey Infrastructure & Geodesy

**Board of Surveying and Spatial Information (BOSSI)**
Warwick Watkins, Director General (Chair), Stephen Glencorse (Registrar), Paul Harcombe, Chief Surveyor

**Broken Hill Defeating the Weeds Menace Project Group**
Geoffrey Woods, Regional Manager Western Division, Western Lands Commissioner

**Caravan Park Levy**
John Burton, PRMF Coordinator

**Climate Change Adaptation Senior Officers Working Group**
Paul Harcombe, Chief Surveyor

**Commercial Lease Directives and Policy Development**
Stephen Francis, Director Commercial Development

**Committee for the Master Plan Project for the redevelopment of Coffs Harbour Port**
Graham Harding, GM Crown Lands (Joint Project Director with the GM Coffs Harbour Council)

**Committee for the Master Plan Project for the redevelopment of Foster/Tuncurry Harbour**
Karen Hembrow A/ Regional Manager North Coast (Joint Project Director with the General Manager Coffs Harbour Council)

**Cooperative Research Centre for Spatial Information (CRC-SI)**
Warwick Watkins, Director General (Deputy Chair), Des Mooney, Deputy Director General and General Manager LPI (Alternate Director)

**Council of the Reciprocating Surveyors Boards of Australia and New Zealand (CRSBANZ)**
Paul Harcombe, Chief Surveyor

**Crown Land Biodiversity Banking Project Control Group**
Stephen Francis, Director Commercial Development, Brett Phillips, Regional Manager Central Coast/Hunter

**Darling River Floodplain Management Committee**
Geoffrey Woods, Regional Manager Western Division, Western Lands Commissioner

**Data and Information Management Working Group**
Warwick Watkins, Director General (Chair), Warrick Beacroft, Executive Manager Information Sourcing

**Derelict Mines Steering Committee**
Paul Jones, General Manager Soil Conservation Service

**Elevation Special Interest Group (ICSM Subcommittee)**
Greg Burgess, Team Leader, Regional DTDB

**Far West District Emergency Management Committee**
Geoffrey Woods, Regional Manager Western Division, Western Lands Commissioner

**Geographical Names Board**
Warwick Watkins, Director General (Chair), Greg Windsor (Secretary), Paul Harcombe, Chief Surveyor

**Geospatial Technical Working Group (APEC07)**
Rob Colless, Deputy Director, Emergency Information Coordination Unit (Chair)

**Government Property Register Project**
Doug Walsham, Executive Manager, Titling & Registry Services, Graham Harding, GM Crown Lands

**ICSM – Geodetic Technical Sub-committee**
Doug Kinlyside, Manager, Survey Infrastructure & Geodesy

**ICSM Committee 'Permanent Committee on Topographic Information Imagery Special Interest Group'**
David Abernethy, Team Leader Products & Imagery Services

**ICSM Special Committee, Roads Working Group**
Ian Paxton, Manager Regional

**Illawarra and SE Region Natural Resources Committee**
Ken Sullivan, Regional Manager South

**Illawarra and SE Regional Development and Natural Resource Managers Group**
Ken Sullivan, Regional Manager South

**Inter-agency Riparian Boundaries Working Group (IRBWG)**
Paul Harcombe, Chief Surveyor (Convenor), Gavin Bartier, Les Gardner, Ken Green, Leanne Hughes, Dave Norris, Peter Ragen, Geoff Songberg, Gail Swan, Tony Swallow, Kevin Thompson, Grahame Wallis

**Interdepartmental Camps on Claims Working Group**
Geoffrey Woods, Regional Manager Western Division, Western Lands Commissioner

**Interdepartmental Committee on Burial Space**
Stephen Fenn, Manager Cemetery Policy

**Interdepartmental Dredging Strategy for NSW Committee**
Graham Harding, GM Crown Lands

**Intergovernmental Committee for Surveying and Mapping (ICSM)**
Paul Harcombe, Chief Surveyor

**Intergovernmental Committee on Topographic Information**
Ian Paxton, Manager Regional

**Interstate Working Party with NSW / Queensland for the Tweed Estuary Sand Bypass**
Graham Harding, GM Crown Lands (Chair)

**IPART review of Climate Change Measures – Intermediate Reference Group**
Paul Robinson, Director Strategic Projects

**Joint Committee Necropolis Trust**
Andrew McAnespie, Regional Manager Sydney/Hunter

**Lightning Ridge Mining Board**
Geoffrey Woods, Regional Manager Western Division, Western Lands Commissioner

**Metropolitan (Strategy) CEOs Group)**
Warwick Watkins Director General

**Metropolitans (Strategy) Senior Officers Group**
Greg Paine, A/Manager Planning Policy

**Murrumbidgee Region Regional Coordination Management Group**
Ken Sullivan, Regional Manager South

**Murrumbidgee Regional Development and Natural Resource Management Group**
Ken Sullivan, Regional Manager South

**National Board of the Institute for Information Management**
Peter Goddard, Manager Strategic Projects

**National Electronic Conveyancing System State Project Team**
Greg Channell, Senior Project Leader – Legal, NECS Readiness Program, Paul Mitchell, Manager Titling and Registry Services, Christopher White, Program Development Manager, NECS Readiness

**National Roads Working Group**
Ian Paxton, Manager Regional

**National Steering Committee for Electronic Conveyancing**
Des Mooney, Deputy Director General and General Manager LPI

**Natural Resource Asset Management and Cluster Planning Group (subgroup of Treasury's Government Asset Management Committee)**
Greg Foster Manager Strategic Development and Marketing

**Natural Resources and Environment CEOs Cluster Group**
Warwick Watkins, Director General

**Natural Resources and Information Needs Committee**
Adrian Harte, Director Land Management

**Natural Resources and Planning Spatial Data Infrastructure Sub-Group (NRP-SDI)**
Warrick Beacroft, Executive Manager Information Sourcing (Chair), Tony Sleigh

**North Coast – Regional Coordination Management Group**
Karen Hembrow, A/Regional Manager North Coast

**North Tuncurry Project Control Group**
Stephen Francis, Director Commercial Development, Craig Barnes, Regional Manager North Coast

**Noxious Weed Advisory Committee**
Richard Chewings, Manager Landscape Services Centre

**NSW Wind Precincts – Agency Working Group**
Paul Robinson, Director Strategic Projects

**NSW Branch Institute for Information Management**
Peter Goddard, Manager Strategic Projects (President)

**NSW Coastal Council Acquisition Task Force**
Graham Harding, GM Crown Lands

**NSW Law Society Legal Technology Committee**
Greg Channell, Senior Project Leader – Legal NECS Readiness Program

**NSW Maritime Access and Infrastructure Council**
Craig Abbs, Director Coastal Estuary Infrastructure (NSW Project Director)

**NSW Public Sector Community of Finance Professionals**
Kimberley Taylor

**NSW Rating Professionals**
Grieg Nott, Program Manager, Land Data Management

**NSW Spatial Advisory Group for Counter-terrorism/emergency management/ critical infrastructure protection**
Warwick Watkins, Director General, Tony Sleigh, Director Emergency Information Coordination Unit

**NSW State Soils Policy Working Group**
Adrian Harte, Director Land Management CL, Paul Jones, General Manager SCS, Richard Chewings, A/Manager Land Management CL, Richard Denham, Manager Land Estate Policy CL, Michelle Forwood, Senior Policy Officer Planning CL

**Pest Animal Control Council**
Richard Chewings, Manager Land Management CL

**Planning Reform (EP&A Act) Inter-agency Steering Committee**
Warwick Watkins, Director General

**Planning Reform (EP&A Act) Inter-agency Steering Committee (senior officers reference group)**
Greg Paine, A/Manager Planning Policy

**Property Disposal Assessment Panel**
Greg Foster, Manager Strategic Development and Marketing

**Public Sector Mapping Authority (PSMA)**
Des Mooney, Deputy Director General and General Manager LPI

**Public Sector Risk Management Association**
Ed Alegado, Director Corporate Governance, Sue Stirling, OHS Manager

**Randwick Literary Institute Reserve Trust**
Andrew McAnespie, Regional Manager Sydney/Hunter (Administrator)

**Remote Sensing Steering Committee**
Peter Clydesdale, Senior Program Development Manager, Paul Field, Manager Sales and Customer Service, Rob Colless, Manager GIS and Operations

**Reserve Referral Process**
Bob Costello, Director Finance and Corporate Support, Richard Hunt, Director Crown Lands Policy, Greg Paine, A/Manager Planning Policy, Richard Chewings, Manager Land Management Programs

**Seafood Industry Advisory Council – Pricing and Charging Working Group**
Stephen Francis, Director Commercial Development

**Showgrounds Standing Committee**
John Burton, PRMF Coodinator

**Silverton Village Committee**
Geoffrey Woods, Regional Manager Western Division, Western Lands Commissioner

**Standards Australia – TC211 Geographic Information Systems Committee**
Greg Burgess, Team Leader, Regional DTDB

**Standards Australia Image Management Committee**
Peter Goddard, Manager Strategic Projects

**Standards Australia Subcommittee IT-027-02 Data Management and Interchange**
Doug Kinlyside, Manager Survey Infrastructure & Geodesy

**State Mapping Advisory Committee**
Warrick Beacroft, Executive Manager Information Sourcing (Chair)

**State Parks Trust Board**
Peter Houghton, Manager State Reserves Strategy

**State Plan Priority E8 Senior Officers Group**
Bob Costello, Director Finance and Corporate Support, Richard Hunt, Director Crown Lands Policy, Martin Sewell, Manager Land Management Policy

**State Plan Priority R4 Senior Officers Group**
Bob Costello, Director Finance and Corporate Support, Richard Hunt, Director Crown Lands Policy, Martin Sewell, Manager Land Management Policy

**Survey and Mapping Managers Forum (SMMF)**
Paul Harcombe, Chief Surveyor (Chair), Bill Miller, Manager Spatial Information Services

**Surveying and Mapping Industry Council of NSW**
Paul Harcombe, Chief Surveyor (Treasurer), Bill Miller, Manager Spatial Information Services

**Tibooburra Village Committee**
Geoffrey Woods, Regional Manager Western Division, Western Lands Commissioner

**Travelling Stock Reserve Working Group**
Adrian Harte, Director Land Management

**Unincorporated Area Road Network Reference Group**
Geoffrey Woods, Regional Manager Western Division, Western Lands Commissioner

**UNSW School of Surveying and Spatial Information Advisory Board**
Paul Harcombe, Chief Surveyor

**Western Regional Coordination Management Group**
Geoffrey Woods, Regional Manager Western Division, Western Lands Commissioner, Michael Kneipp, Regional Manager Central

**Willandra Lakes World Heritage Area Technical Scientific Advisory Committee/ Community Management Council**
Geoffrey Woods, Regional Manager Western Division, Western Lands Commissioner

## 7. Credit card certification

During the 2008/09 financial year, credit card use within Lands was in accordance with Premier's Memoranda and Treasurer's Directions.

### Credit card use

Credit card use within Lands is largely limited to:

- claimable work related travel expenses
- expenditure for minor purchases, where the use of credit cards is a more efficient means of payment.

### Monitoring credit card use

The following measures and practices are used for providing guidelines and monitoring the efficient use of credit cards within Lands.

- Lands currently follow better practice guidelines issued by NSW Treasury to provide all staff with a clear understanding of their obligations and duties in the use of corporate credit cards.
- Officers issued with a credit card receive monthly statements to verify and certify that all expenses were incurred for official purposes. Acquittals are examined and authorised by officers with appropriate financial delegation.
- A review of usage levels and appropriateness of credit card limits is conducted at least annually.
- A report is submitted to Treasury half yearly certifying that Lands' credit card use is within guidelines.

## 8. Consultants

### Consultancies under $30,000

| Nature of consultancy | Number of consultancies | Cost (GST incl.) |
|---|---|---|
| Finance and accounting/tax | - | - |
| Information technology | 2 | $44,867 |
| Legal | - | - |
| Management services | 12 | $159,324 |
| Environmental | 2 | $13,378 |
| Engineering | - | - |
| Organisational review | - | - |
| Training | - | - |
| **Total consultancies under $30,000** | **16** | **$217,569** |

### Consultancies over $30,000

| Nature of consultancy | Consultant name, title and nature of project | Cost (GST incl.) |
|---|---|---|
| Finance and accounting/tax | - | - |
| Information technology | Saratoga Professional services – Web services requirements and non functional requirements for NECS | $175,862 |
| Legal | Maddock Lawyers P/L<br>Legal advice on the Silverton windfarms | $294,747 |
| | Clayton Utz – Consistent business practices for NECS | $34,390 |
| Management services | Parklands Wodonga P/L Albury Environmental Lands Management Program for 1,500ha of land being ceded from Albury Wodonga Development Coop to include a program schedule and budget for capital items, routine and maintenance works for the next 12 years as per transfer agreement. | $43,780 |
| | Bridgeisle Business Solutions – Strategic advice on NECS | $461,061 |
| | Mike Bailey Enterprises Pty Ltd – Ministerial liaison and strategic advice and policy expertise | $82,500 |
| | Omnilink Pty Ltd – Consultancy for Underground Standards Project | $40,975 |
| | Simply Blue Pty Ltd – Review of financial services – Crown Lands division | $38,803 |
| | Fyusion Asia Pacific Pty Ltd – Consultation paper for Valuation audit and CSV | $30,621 |
| Environmental | - | - |
| Engineering | - | - |
| Organisational review | - | - |
| Training | - | - |
| Valuation | LPI Club Rental Valuations | $54,133 |
| **Total consultancies over $30,000** | **10** | **$1,202,739** |
| **Total consultancies** | **26** | **$1,420,308** |

## 9. Disability action plan

Lands is committed to the continued implementation of actions to support access and services to clients and staff with a disability. Lands is currently developing their Disability Action Plan 2009-2012 in accordance with the NSW Government State Plan: A New Direction for NSW. The State Plan makes increased customer satisfaction with government services a key priority and aims to improve the opportunities for people with disabilities to share fully in community life.

During 2008 there was a major program to increase disabled access to the Queens Square building. A wheelchair lift was installed to allow access between the old three storey and new five storey parts of the building and the rear loading dock was completely remodelled to allow disabled access to the rear of the heritage building. The north wing lift at Queens Square was also upgraded.

The works include compliance to AS1735 'Facilities for persons with disabilities' part 12. The north wing lift was completed at the end of July 2008. An upgrade of the southern lift at Queens Square was planned for the 2008/09 financial year and this work has also been completed in compliance with AS1735.

Lands has a strong record of employing people with a disability and providing appropriate support in the workplace including making workplace adjustments to ensure staff with a disability are able to use their skills effectively.

Lands continues to support the public sector Hearing Impaired Network. This network is chaired by a Lands employee. Signing assistance is provided for hearing impaired staff to attend training and meetings. Two female hearing impaired staff attended a number of events including the UNIFEM International Women's Day breakfast this year with the aid of an interpreter.

Lands has representation on the Disability Reference Group facilitated by the Department of Premier and Cabinet. This focus group is developing strategy aligned to State Plan Priority F2: Increased Employment and Community Participation for People with Disabilities.

## 10. Waste reduction and purchasing policy

Lands remains committed to complying with the NSW Government's waste reduction and purchasing policy (WRAPP) and to maintaining best practice in sustainable procurement and in recycling.

During 2008/09 Lands continued to avoid and minimise waste by:

- extending recycling programs to collect and recycle paper and co-mingled wastes from its Sydney and Bathurst offices
- complying with the NSW Government's sustainability policy by sourcing 6% of its electricity supply as green power
- promoting the use of recycled content paper wherever cost and performance competitive
- implementing a sustainability and environment intranet page to communicate and promote green issues
- the Graphic Services Branch being ahead of schedule in obtaining accreditation to ISO standard 14001 for environmental management systems for their printing activities.

## 11. Employee relations

### Strategic directions

The Corporate People and Performance Group (CPPG) developed a strategic plan to ensure strong ties between Lands' businesses and human resource strategies aimed at achieving higher performance through consistent, relevant and value adding strategic and operational services.

The plan is aligned to the following Lands strategic objectives.

**Customer and community**
Build business partnerships, a motivated workforce that understands and responds to customer needs.

**Internal processes**
Efficient and effective processes and systems.

**Learning and growth**
Builds Lands wise organisational capability.

**Financial management**
Achieve budget and efficiently utilise human, financial and physical assets.

To address these objectives, key priorities for this financial year and the future included:

- management and leadership development and roll out of online learning
- organisation design and strategic workforce planning with Lands businesses
- development of business critical HR systems and processes
- enhancing working environments through strategic OHS systems and health and welfare of staff.

### Exceptional movements in salaries and wages during 2008/09

The Crown Employees (Public Sector – Salaries 2008) Award provided a salary increase of 4% effective from the first full pay period on or after 1 July 2008 with prospective future 4% increases in 2009 and 2010.

The Department engaged in negotiations with the Public Service Association to achieve savings in line with the Memorandum of Understanding agreed by the NSW Government and Public Sector Service Association.

The Crown Employees Wages Staff (Rates of Pay) Award also provided for a 4% wage rate increase effective from the first full pay period on or after 1 July 2008.

### Personnel policies and practices

The Department has implemented central reforms as set out in the Memorandum of Understanding signed between the NSW Government and the Public Service Association of NSW. These reforms, together with agency initiatives, are expected to achieve the required savings to support salary increases.

The strong partnership between LPI and CPPG continues. The Vision 2013 workforce planning project has focused on attraction and retention strategies and the identification of the new knowledge and skills required ensuring the business grows and develops. During the current year the focus has moved to developing staff in line with future business strategies and plans.

For the third year, Lands participated at the National Careers Expo in Sydney highlighting the Careers that Count initiative aimed at promoting working in the NSW public sector.

The Department has commenced planning for the migration from the Computerised Human Resources Information System (CHRIS) to a SAP HR Enterprise Resource environment. This will streamline processes and provide better information to managers for business decision making. The move to SAP HR and integration with the Department SAP Financial system will provide opportunities to streamline many processes and automate many transactions currently carried out on a manual basis across the Lands businesses.

### Learning and development

Lands continues to resource and facilitate the process of developing skilled, adaptable people to support business objectives and enhance careers. Promotion of learning is a core philosophy at Lands that enables continuous improvement in processes, services and management to support the development of our businesses into the future.

Two key strategies of the Lands HR Strategic Plan 2008-10 relate to the development of a Lands-wide learning needs analysis and development of a corporate leadership framework. There has been progress in both these areas. In April/May 2009 a learning needs analysis was undertaken across LPI identifying priorities for staff development, including areas specifically relating to management and leadership.

In 2009/10 the analysis will be extended across other businesses with strategies developed to address learning needs.

The Learning and Development Unit (LDU), CPPG has worked in close consultation with the businesses to deliver advice, project management services, learning, development and training that meet business needs through:

- membership of the LPI HR Sub-Committee
- membership of the LPI Staff Development Working Group
- design and facilitation of a training needs analysis for LPI which identified capability gaps across the LPI businesses
- participation on project teams with LPI Staff Development Group members to design and deliver programs that meet the capability gap priorities identified by the training needs analysis, starting with a leadership and management program
- consultation with the working group to assist with the identification and mapping of career paths
- chairing and facilitation of a trainee and graduate program coordinators' network to enable sharing of experiences and provision of assistance in the development of programs such as orientation for trainees and graduates
- conduct of specially tailored induction programs for trainee and graduate intakes
- membership of the Crown Lands HR Sub-Committee
- ongoing project management and coordination of the development, delivery

**Staff numbers**

| | | 2004/05 | | | 2005/06 | | | 2006/07 | | | 2007/08 | | | 2008/09 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Men | Women | **Total** | Men | Women | **Total** | Men | Women | **Total** | Men | Women | **Total** | Men | Women | **Total** |
| Permanent | Full-time | 849 | 470 | **1,319** | 861 | 467 | **1,328** | 897 | 489 | **1,386** | 906 | 518 | **1,424** | 900 | 524 | **1,424** |
| | Part-time | - | 2 | **2** | 1 | 22 | **23** | 2 | 28 | **30** | - | 27 | **27** | - | 29 | **29** |
| Temporary | Full-time | 44 | 40 | **84** | 44 | 25 | **69** | 54 | 36 | **90** | 49 | 44 | **93** | 62 | 59 | **121** |
| | Part-time | - | 4 | **4** | 3 | 8 | **11** | 7 | 8 | **15** | 14 | 12 | **26** | 9 | 10 | **19** |
| Contract | SES | 12 | 1 | **13** | 13 | 1 | **14** | 13 | - | **13** | 15 | - | **15** | 13 | 1 | **14** |
| | Non-SES | - | - | **-** | - | - | **-** | 2 | - | **2** | 2 | - | **2** | 2 | - | **2** |
| Training | | - | - | **-** | - | - | **-** | - | - | **-** | - | - | **-** | - | - | **-** |
| Casual | | 2 | 2 | **4** | 6 | 2 | **8** | 11 | 4 | **15** | 6 | 4 | **10** | 5 | 4 | **9** |
| TOTAL | | 907 | 519 | **1,426** | 928 | 525 | **1,453** | 986 | 565 | **1,551** | 992 | 605 | **1,597** | 991 | 627 | **1,618** |

and evaluation of the Certificate III in Government (Land Administration) for partners Crown Lands division and Illawarra Institute of TAFE

- participation on the Conservation Field Officer (CFO) Assessment Panel with Soil Conservation Service managers to evaluate candidate eligibility for promotion based on proof of competency across a range of work areas and standards.

LDU continues to provide a self-paced induction program for all new staff and has upgraded the Lands welcome pack to a fully online induction program. The unit has also introduced a separate induction guide for new employees recruited into management positions.

Recruitment selection techniques training is scheduled and conducted four times per year with courses being located in both metropolitan and regional centres. Content is regularly updated to keep pace with changes currently occurring to the recruitment and selection processes in the NSW public sector.

In recognition of the needs of our aging workforce, CPPG is introducing seminars on how to plan for and manage a smooth transition to retirement for older employees.

Funding for attendance by staff at external courses, conferences and seminars continued in 2008/09. Available data indicates that over 230 staff attended external courses, conferences and seminars and over 560 staff attended internal courses.

Work has commenced to improve the collection of data relating to staff development activity.

Lands continues to promote staff participation in formal tertiary education courses relating to business needs. In 2008/09 a total of 77 staff were undertaking tertiary studies ranging from TAFE to doctoral level.

Lands also provides funding and time support for participation in public sector sponsored programs with 18 staff undertaking a range of programs in 2008/09.

### Industrial relations policies and practices

The majority of Lands' employees (90%) are covered by the Crown Employees (NSW Department of Lands – Departmental Officers) Award. This award rationalised a variety of salary scales and classifications to bring the majority of officers from Crown Lands, Soil Conservation Service and the Office of Rural Affairs under the one classification and grading process. The other two major awards covering Lands' 38 hours per week employees are the Crown Employees (Graphic Service Operators Department of Lands) Award and the Conservation Field Officers (Department of Lands, Department of Infrastructure, Planning and Natural Resources and State Water Corporation Award). These three main awards now represent 96% of all staff with award coverage. The number of employees covered by the three main awards should continue to increase as positions are created or evaluated according to the three main awards.

| **Learning and development** | **2008/09** |
|---|---|
| No. staff who received study time leave | 77 |
| No. staff who received fee reimbursement | 32 |
| No. of staff doing Executive Master of Public Administration | 4 |
| No. staff who completed Executive Development Program | 4 |
| No. staff completing Graduate Diploma in Public Administration | 3 |
| No. staff completing Master of Public Administration | 0 |
| No. staff completed/doing Public Sector Management Program | 7 |

In August 2008, a section 19 review in terms of the *Industrial Relations Act 1996* was undertaken in relation to the *Crown Employees (NSW Department of Lands – Conditions of Employment) Award 2005*. The review updated the award bringing it in line with contemporary industrial relations practices.

The Department continues to maintain a harmonious and consultative working relationship with association and union representatives. The joint consultative committee comprising management and industrial association/union representatives meets regularly to discuss reforms occurring within Lands and major issues affecting the organisation and staff.

### Organisation change and job evaluation

CPPG has continued to assist managers across Lands in reviewing structures, functions and positions to support business objectives. All business divisions continued to realign their organisational structures to meet changing client and business needs.

CPPG has introduced a process to streamline evaluation of position descriptions, which continues use of the Mercer CED Job Evaluation System.

## 12. Land disposal

In 2008/09 a parcel of land located in Belford was disposed for $93k with a carrying value of $53k.

In addition, in 2008/09 the Department administered the disposal of 2,407 parcels of land from the Crown land estate. Total proceeds from the disposals were $30.2m with a carrying value of $45.0m. This includes 368 parcels of land with a carrying value of $15.3m that were transferred to reserve trusts and local government for no consideration.

There were no parcels of land disposed of over $5m.

Any association between purchaser and the person responsible for approving the disposal is required to be declared. There were no such declarations in the year.

The net proceeds from most sales are paid to the Consolidated Fund.

All sale documents are retained as either Lands' records or held by Lands' solicitors responsible for the conveyancing and can be accessed under the normal FOI guidelines.

## 13. Equal employment opportunity

### Major EEO outcomes for 2008/09

- Lands continues to operate a spokeswomen's program which offers ten women from across the state the opportunity to participate in the program.
- This program links to the NSW State Government's initiative 'Making the Public Sector Work Better for Women'.
- Lands aims to develop strategies to attract and retain senior female talent through the use of the public sector endorses CEO kit.
- A number of women across the Department completed the springboard program in places sponsored by the spokeswomen and the Crown Lands 'Working Outside the Square' (WOTS) Group.
- The Department sponsored 20 places for women at International Women's Day events across the state.
- Lands has four women participating in the Department of Premier and Cabinet's women's e-Mentoring Pilot Program as mentees, and four senior staff who are participating as mentors.
- Lands continues to sponsor and support the Aboriginal Support Network (ASN). The network was established to actively promote career development opportunities, to raise awareness of Indigenous Australians within the workforce, encourage the employment of Aboriginal people within the various departments and to encourage the long-term employment of Aboriginal people within the public sector. The ASN has been in operation since 1989 and works in partnership with other related public sector agencies to provide increased collegial support for members.
- Recruitment at Lands is merit based and aimed at attracting a diverse range of job applicants.
- Lands is keeping pace with sector-wide changes to recruitment aimed at making the process more efficient and accessible.
- Lands employees enjoy a full range of flexible working arrangements and are encouraged to create and maintain a healthy work-life balance.
- Lands is participating in the NSW Public Sector Cadetship Program to assist young people to take up careers in the public sector by offering a cadetship for Aboriginal and Torres Strait Islander applicants.

### Aboriginal Support Network

The Aboriginal Support Network (ASN) comprises of Aboriginal staff who wish to participate in the running of the network from these government agencies.

- Department of Lands.
- Department of Water and Energy.
- Department of Planning.
- State Water Corporation.
- Catchment Management Authorities.

The Department of Lands is currently the hosting agency for the ASN.

The ASN met every quarter at various locations around the state during the financial year of 2008/09.

The first gathering was held at the start of September 2008 at Forbes. The ASN visited the Barrack Gold Mine at Lake Cowell and surrounding area with a local Aboriginal elder detailing the local Aboriginal community's involvement within the company and its employment programs for local Aboriginal people, guided tours of Manna Mountain and Murie Sites which are known Aboriginal sites and their management concerns.

The second gathering was the ASN Annual General Meeting held towards the end

**Table A – Trends in the representation of EEO groups[1]**

| EEO group | Benchmark or target % | % of total staff[2] | | | | |
|---|---|---|---|---|---|---|
| | | 2005 | 2006 | 2007 | 2008 | 2009 |
| Women | 50 | 36.5 | 36 | 36.4 | 37.9 | 39 |
| Aboriginal people and Torres Strait Islanders | 2 | 1.3 | 1.3 | 1.4 | 1.3 | 1.2 |
| People whose first language was not English | 20 | 15.3 | 16 | 14.2 | 13.6 | 16 |
| People with a disability | 12 | 10.2 | 7 | 7 | 6.1 | 5 |
| People with a disability requiring work-related adjustment | 7 | 3.8 | 1.3 | 1.5 | 1.3 | 1.2 |

**Table B – Trends in the distribution of EEO groups[1]**

| EEO group | Benchmark or target % | Distribution index[3] | | | | |
|---|---|---|---|---|---|---|
| | | 2005 | 2006 | 2007 | 2008 | 2009 |
| Women | 100 | 89 | 89 | 90 | 90 | 84 |
| Aboriginal people and Torres Strait Islanders | 100 | 76 | n/a | 86 | 92 | 90 |
| People whose first language was not English | 100 | 89 | 92 | 92 | 94 | 91 |
| People with a disability | 100 | 98 | 102 | 97 | 98 | 98 |
| People with a disability requiring work-related adjustment | 100 | 92 | n/a | 93 | 93 | 93 |

*Notes*

*1. Staff numbers are as at 30 June 2008.*

*2. Excludes casual staff.*

*3. A distribution index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The distribution index is automatically calculated as part of the workforce profile return sent to Premiers Department annually.*

November 2008 at Nelsons Bay. The ASN met at the Worimi Local Aboriginal Lands Council at Williamtown for brief history of projects run by the Lands Council and then proceeded with guided tours showing the Worimi Conservation Lands, Murrock and Worimi Projects. The ASN also elected a new executive team at this meeting.

The third gathering was held at the start of March 2009 at Parramatta Government Offices with the focus of the meeting being training workshop, 'Do it right project' which was conducted by the Anti Discrimination of NSW with involvement from Work Cover NSW.

The fourth gathering was held at the start of June 2009 at Lighting Ridge with the focus of the meeting being the ASN's Aboriginal Cross Cultural Awareness Training program. It was an information day for ASN members outlining the details to which the training is about and what is involved in conducting these workshops, so members could be aware of the processes and hopefully look at being future presenters of this program.

## 14. Ethnic Affairs Priorities Statement (EAPS)

Lands is committed to the principles of multiculturalism as outlined in the *Community Relations Commission and Principles of Multiculturalism Act 2000*.

The Ethnic Affairs Priorities Statement (EAPS) is our commitment to improving access to our services to culturally and linguistically diverse communities throughout New South Wales.

Lands' EAPS was finalised in 2006. No changes have been made to this statement. The EAPS outlines how Lands will:

- deliver services, which are appropriate to a culturally diverse client group, as part of the core business
- put in place flexible, inclusive consultation processes that are integrated into agency planning
- provide training for staff on cultural diversity issues
- provide language services and information in ways that will reach all clients. A list of Lands employees with language skills is available and those skills are called upon occasionally.

Key outcomes for 2008/09 include:

- ongoing review of staff training programs to ensure integration of cultural awareness principles
- continued inclusion of the principles of multiculturalism in corporate planning and evaluation processes
- continued utilisation of the telephone interpreting service provided by the Commonwealth Department of Immigration and Citizenship in responding to enquiries from members of the public
- promotion on general land valuation notices sent to property owners of the availability of the telephone interpreting services
- continued utilisation of the staff register which lists staff members from different cultural backgrounds who make themselves available to assist customers visiting Lands' offices in person who request an interpreter
- promotion of diverse representation on committees, working groups, advisory structures and Crown land trusts.

In 2009/10 Lands will continue to implement its EAPS through corporate planning and client services, merit-based recruitment practices and staff training.

## 15. Freedom of information (FOI)

### Statement of affairs

The Department of Lands was created in 2003, incorporating:

- three business operational divisions – Land and Property Information, Crown Lands and Soil Conservation Service
- the Office of Rural Affairs
- internal corporate service areas including Finance and Corporate Support, Corporate People and Performance Group, Legal Services, Corporate Governance, Information Communication and Technology, Communication Solutions Group, and Native Title, Aboriginal Land Claims and Status Branch.

Lands also provides administrative support to the Board of Surveying and Spatial Information, the Geographical Names Board, the Festival Development Corporation and various community trusts.

**Land and Property Information division**

Land and Property Information (LPI) is the definitive source of spatial information for NSW, including property definition, ownership and valuation data, which underpins a vibrant property market and government initiatives for improved commercial and environmental outcomes.

**Crown Lands division**

The total area of New South Wales is 80.1 million hectares, nearly half of which is Crown land. The Crown Lands division is responsible for the sustainable management of 35.8 million hectares of Crown land. From its 18 state parks, public reserves, walking trails and caravan parks to allocated land for varied community and business purposes, such as schools, hospitals and ports, Crown Lands division is dedicated to optimising environmental, economic and social outcomes for the benefit of the people of NSW.

**Soil Conservation Service division**

Soil Conservation Service (SCS) is an environmental consultancy business specialising in environmental protection, rehabilitation and land management. SCS offers a complete range of professional and technical services in land rehabilitation, specialist earthworks, erosion and sediment control, project management, soil and water testing, revegetation techniques and the sustainable management of farm water supplies. SCS's efforts ensure the continued sustainable management of NSW land.

**Office of Rural Affairs**

The Office of Rural Affairs works with rural communities to harness economic, social and environmental opportunities for country NSW, ensuring they have a powerful voice and are in control of their own evolution.

### Freedom of information procedures

Requests for documents under the Freedom of Information (FOI) or *Privacy and Personal Information Protection Act 1998* in the possession of Lands should be directed to:

The FOI Coordinator
Office of the Director General
Department of Lands
1 Prince Albert Road
Queens Square
SYDNEY NSW 2000
T 61 2 9236 7773
F 61 2 9236 7632

Office hours:
Monday – Friday
8.30am – 4.30pm

### Documents held by the Department

**Corporate**

Acceptable Use of Information Technology and Telecommunications Policy
Access Control Policy
Accounting Manual
Anti Virus Policy
Asset Control Policy
Business Continuity Management Policy
Change Management Policy
Code of Conduct
Complete Guide to Staff (Induction Manual)
Conflict of Interest Policy
Corporate Clothing Policy
Corrupt Conduct, Maladministration and Serious and Substantial Waste, and Protected Disclosures Policy
Desktop Replacement Policy
Equal Employment Opportunity Policy
Filling of Short Term Vacancies Policy
Gifts and Benefits Policy
Grievance Resolution
Harassment Free Workplace Policy
Information Security Policy
Interim Privacy Management Plan
Internal Reporting (Protected Disclosures) Policy
Job Evaluation Policy
Lands International Visitors Policy
Learning and Development Policy
Mail Server Policy
Management of Consultants and Contractors Policy
Managing E-Mail Resources Policy
Media Policy
Mobile Phone Policy
Occupational Health and Safety Policy
Outside Employment Policy
Policy for Protection against Malicious Software
Queens Square Security Policy
Records Management Policy

Risk Management Policy
Travel Policy
Workforce Management Plan
Working from Home Policy

**Land and Property Information**
Intellectual Property – Copyright and Licensing
LPI Fraud Control Plan
LPI Privacy Statement
LPI Queens Square Business Continuity Plan
Online terms and conditions
Suppression of Personal Information in LPI Public Registers

**Valuation**
Administering Procedures
Chief Valuer's Instructions
Contractor Performance Management Procedures
Just Terms Compensation Procedures Manual
Objections Procedures Manual
Rating and Taxing Valuations Procedures Manual
Technical Instructions
Valnet User Guides
Valuation Contract Management Procedures Manual
Valuer General's Instructions

**Surveying**
Control Surveys and SCIMS: what is acceptable
Guidelines for the Determination of the state border between New South Wales and Victoria along the Murray River
Redefining the Queensland-New South Wales Border: Guidelines for Surveyors
Rural Addressing: A Model for Systematic Addressing for Rural Properties in New South Wales
Surveyor General's Directions for Survey Practice

**Land Titling**
Electronic Settlement, Electronic Lodgment and Automatic Registration of Real Property Dealings in NSW – Public Consultation Document, May 2004
Electronic Settlement, Electronic Lodgment and Automatic Registration of Real Property Dealings in NSW: Public consultation feedback report March 2005
Lodgment Services Terms & Conditions
Manual owner inquiry search requests – policy and procedures
Registrar General's Directions

**Geographical Names Board of NSW**
Commemorative naming fact sheet and form
Cultural Designation Guidelines
Determining suburbs and localities in NSW
Dual naming supporting cultural recognition
Generic Reserve Naming Policy
Glossary of designation values in the Geographic Names Register
Glossary of status values in the Geographic Names Register
GNB – preserving the history, culture and identity of NSW
Guidelines for determining place names
Guidelines for the naming of roads
Naming and addressing private roads and roads in community subdivisions
Place naming application form
Policy on Board Member Induction
Policy on the Concurrence for Government Departments for Names Assigned under Other Acts
Policy on the Position and Extent of Geographical Names
Policy on Web Based Submissions for Advertised Proposals
Policy on Welcome to Country Signs
Primary Source Policy
Road naming in NSW
Rural addressing for NSW
The NSW road and address locality naming process

**Crown Lands**
Authority and Identity Card Procedures December 2007
Caravan Park Levy Committee Guidelines for the Administration of Applications for Financial Assistance
Changes to the Management of Crown Reserves and Schools of Arts Arising from the *Crown Lands Amendment Act 2005* – Information for Staff October 2005
Coastal Crown Lands Policy 1991 – under review
Community Rebate Policy – July 2007
Crown Lands Caravan Park Policy 1990 – under review
Crown Lands Foreshore Tenures Policy (Non-commercial Occupations) 1991 – under review
Crown Lands NSW Business Policy – Local Government Procurement of Crown Land September 2007
Crown Lands Policy for Marinas and Waterfront Commercial Tenures 2005
Crown Lands Policy for Tourist and associated Facilities on Crown Land 2006
Crown Lands Reserve Trust – Operating Policy and Management Arrangements 2008
Dedicated Lands Information – September 2008
Devolved Lands Information – April 2009
Domestic waterfront tenancies – Changes in rent
Fire Protection Policy for Caravan Parks on Crown Reserves and Leasehold Land 2005
Food and Beverage Outlets on Crown Reserves 2004
Guidelines for Managing Bridges and Culverts on Crown Land – March 2008
Guidelines to Part 3A of the *Environmental planning and Assessment Act 1979* September 2007
Information for telecommunication organisations occupying crown land administered by the NSW Department of Lands
Investment Policy for Trust Boards Managing Crown Reserves and Commons 2005
Land Management Compliance Policy – October 2007
Management of cemeteries on Crown land by Local Government
Natural Disaster Relief Scheme Guidelines
Office Practice Guidelines
Operational Tourist Facility Policy – June 2007
Parish/County Reserve Procedure – July 2007
Perpetual Lease Conversion Program – Policy Overview – June 2007
Procedure for Reviewing Local Environmental Plans – March 2007
Procedures for Waiving the Need for a Land Assessment April 2009
Recreational Trails Strategy - April 2007
Staff Procedure – Re-appointing and replacing reserve trust managers upon expiry of their term – June 2008
Tabling Procedure for Dedicated Crown Land – October 2008
Tourist Facilities and Services on Crown Reserves 1997
Trust Handbook – A handbook for trusts managing Crown land reserves and commons, and trustees of schools of arts – October 2007 and updated

**Soil Conservation Service**
Non-smoking in the Workplace
Staff Borrowing of Equipment Policy

Some policy documents are available, free of charge, from the Department of Lands website www.lands.nsw.gov.au which has links to our administrative units.

Geographical Names Board policies and guidelines may be accessed at their website www.gnb.nsw.gov.au.

**Charges for FOI applications**

| Nature of application | Application fee | Processing charge |
|---|---|---|
| Access to personal records | $30 | $30 per hour (up to 20 hours of free processing time for information about your personal affairs is allowed) |
| All other requests | $30 | $30 per hour |
| Amendment of records | $30 | $30 per matters not on public record |

**Freedom of information statistics (new statistics format introduced August 2007)**

| Section A – New FOI applications | Number of applications | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| How many FOI applications were received, discontinued or completed? | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 |
| A1 New | 15 | 4 | 52 | 60 | 67 | 64 |
| A2 Brought forward | 5 | 2 | 4 | 0 | 9 | 2 |
| A3 Total to be processed | 20 | 6 | 56 | 60 | 76 | 66 |
| A4 Completed | 18 | 6 | 56 | 55 | 74 | 61 |
| A5 Discontinued | 0 | 0 | 0 | 0 | 0 | 0 |
| **A6 Total processed** | **18** | **6** | **56** | **55** | **74** | **61** |
| **A7 Unfinished (carried forward)** | **2** | **0** | **0** | **5** | **2** | **5** |

| Section B – Discounted FOI applications | Number of discounted EOI applications | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| Why were FOI applications discontinued? | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 |
| B1 Request transferred out to another agency (s.20) | 0 | 0 | 0 | 0 | 0 | 0 |
| B2 Applicant withdrew request | 0 | 0 | 0 | 0 | 0 | 0 |
| B3 Applicant failed to pay advance deposit (s.22) | 0 | 0 | 0 | 0 | 0 | 0 |
| B4 Applicant failed to amend a request that would have been an unreasonable diversion of resources to complete (s.25(1)(a1)) | 0 | 0 | 0 | 0 | 0 | 0 |
| **B5 Total discontinued** | **0** | **0** | **0** | **0** | **0** | **0** |

| Section C – Completed FOI applications | Number of completed EOI applications | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| What happened to completed FOI applications? | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 |
| C1 Granted or otherwise available in full | 21 | 6 | 48 | 47 | 69 | 53 |
| C2 Granted or otherwise available in part | 0 | 0 | 3 | 1 | 3 | 1 |
| C3 Refused | 0 | 0 | 1 | 6 | 1 | 6 |
| C4 No documents held | 0 | 0 | 1 | 2 | 1 | 2 |
| **C5 Total completed** | **21** | **6** | **53** | **56** | **74** | **62** |

| Section D – Applications granted or otherwise available in full | Number of FOI applications (Granted or otherwise available in full) | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| How were the documents made available to the applicant? | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 |
| All documents requested were: | | | | | | |
| D1 Provided to the applicant | 21 | 6 | 48 | 48 | 69 | 54 |
| D2 Provided to the applicant's Medical Practitioner | 0 | 0 | 0 | 0 | 0 | 0 |
| D3 Available for inspection | 0 | 0 | 0 | 0 | 0 | 0 |
| D4 Available for purchase | 0 | 0 | 0 | 0 | 0 | 0 |
| D5 Library material | 0 | 0 | 0 | 0 | 0 | 0 |
| D6 Subject to Deferred access | 0 | 0 | 0 | 0 | 0 | 0 |
| D7 Available by a combination of any of the reasons listed in D1 – D6 above | 0 | 0 | 0 | 0 | 0 | 0 |
| **D8 Total granted or otherwise available in full** | **21** | **6** | **48** | **48** | **69** | **54** |

| Section E – Applications granted or otherwise available in part | Number of FOI applications (Granted or otherwise available in part) | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| How were the documents made available to the applicant? | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 |
| All documents requested were: | | | | | | |
| E1 Provided to the applicant | 0 | 0 | 3 | 1 | 3 | 1 |
| E2 Provided to the applicant's Medical Practitioner | 0 | 0 | 0 | 0 | 0 | 0 |
| E3 Available for inspection | 0 | 0 | 0 | 0 | 0 | 0 |
| E4 Available for purchase | 0 | 0 | 0 | 0 | 0 | 0 |
| E5 Library material | 0 | 0 | 0 | 0 | 0 | 0 |
| E6 Subject to Deferred access | 0 | 0 | 0 | 0 | 0 | 0 |
| E7 Available by a combination of any of the reasons listed in D1 – D6 above | 0 | 0 | 0 | 0 | 0 | 0 |
| **E8 Total granted or otherwise available in part** | **0** | **0** | **3** | **1** | **3** | **1** |

| Section F – Refused FOI applications | Number of ref used FOI applications | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| Why was access to the documents refused? | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 |
| F1 Exempt | 0 | 0 | 1 | 6 | 1 | 6 |
| F2 Deemed refused | 0 | 0 | 0 | 0 | 0 | 0 |
| **F3 Total refused** | **0** | **0** | **1** | **6** | **1** | **6** |

| Section G – Exempt documents | Number of FOI applications (refused or access granted or otherwise available in part only) | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| Why were the documents classified as exempt? | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 |
| Restricted documents: | | | | | | |
| G1 Cabinet documents (Clause 1) | 0 | 0 | 0 | 0 | 0 | 0 |
| G2 Executive Council documents (Clause 2) | 0 | 0 | 0 | 0 | 0 | 0 |
| G3 Documents affecting laws enforcement and public safety (Clause 4) | 0 | 0 | 0 | 0 | 0 | 0 |
| G4 Documents affecting counter terrorism measures (Clause 4A) | 0 | 0 | 0 | 0 | 0 | 0 |
| Documents requiring consultation: | | | | | | |
| G5 Documents affecting intergovernmental relations (Clause 5) | 0 | 0 | 0 | 0 | 0 | 0 |
| G6 Documents affecting personal affairs (Clause 6) | 0 | 0 | 0 | 1 | 0 | 1 |
| G7 Documents affecting business affairs (Clause 7) | 3 | 0 | 1 | 4 | 4 | 4 |
| G8 Documents affecting the conduct of research (Clause 8) | 0 | 0 | 0 | 0 | 0 | 0 |
| Documents otherwise exempt: | | | | | | |
| G9 Schedule 2 exempt agency | 0 | 0 | 0 | 0 | 0 | 0 |
| G10 Documents containing information confidential Olympic committees (Clause 22) | 0 | 0 | 0 | 0 | 0 | 0 |
| G11 Documents relating to threatened species, Aboriginal objects or Aboriginal places (Clause 23) | 0 | 0 | 0 | 0 | 0 | 0 |
| G12 Documents relating to threatened species conservation (Clause 24) | 0 | 0 | 0 | 0 | 0 | 0 |
| G13 Plans of management containing information of Aboriginal significance (Clause 25) | 0 | 0 | 0 | 0 | 0 | 0 |

| Section G – Exempt documents continued | Number of FOI applications (refused or access granted or otherwise available in part only) | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| **Why were the documents classified as exempt?** | **2007/08** | **2008/09** | **2007/08** | **2008/09** | **2007/08** | **2008/09** |
| G16 Documents subject to contempt (Clause 17) | 0 | 0 | 0 | 0 | 0 | 0 |
| G17 Documents arising out of companies and securities legislation (Clause 18) | 0 | 0 | 0 | 0 | 0 | 0 |
| G18 Exempt documents under interstate FOI legislation (Clause 21) | 0 | 0 | 0 | 0 | 0 | 0 |
| G19 Documents subject to legal professional privilege (Clause 10) | 0 | 0 | 0 | 0 | 0 | 0 |
| G20 Documents containing confidential material (Clause 13) | 0 | 0 | 0 | 0 | 0 | 0 |
| G21 Documents subject to secrecy provisions (Clause 12) | 0 | 0 | 0 | 0 | 0 | 0 |
| G22 Documents affecting the state's economy (Clause 14) | 0 | 0 | 0 | 0 | 0 | 0 |
| G23 Documents affecting financial or property interests of the state or an agency (Clause 15) | 0 | 0 | 0 | 0 | 0 | 0 |
| G24 Documents concerning operations of agencies (Clause 16) | 0 | 0 | 0 | 0 | 0 | 0 |
| G25 Internal working documents (Clause 9) | 0 | 0 | 0 | 0 | 0 | 0 |
| G26 Other exemptions (eg: Clauses 20, 22A and 26) | 0 | 0 | 0 | 0 | 0 | 0 |
| **G27 Total applications including exempt documents** | **3** | **0** | **1** | **5** | **4** | **5** |

| Section H – Ministerial certificates (s.59) | Number of Ministerial certificates | |
|---|---|---|
| **How many Ministerial certificates were issued?** | **2007/08** | **2008/09** |
| H1 Ministerial certificates issued | 0 | 0 |

| Section I – Formal consultations | Number | |
|---|---|---|
| **How many formal consultations were conducted?** | **2007/08** | **2008/09** |
| I1 Number of applications requiring formal consultation | 28 | 31 |
| I2 Number of persons formally consulted | 107 | 144 |

| Section J – Amendment of personal records | Number of applications for amendment of personal records | |
|---|---|---|
| **How many applications for amendment of personal records were agreed or refused?** | **2007/08** | **2008/09** |
| J1 Agreed in full | 0 | 0 |
| J2 Agreed in part | 0 | 0 |
| J3 Refused | 0 | 0 |
| **J4 Total** | **0** | **0** |

| Section K – Notation of personal records | Number of applications for notation | |
|---|---|---|
| **How many applications for notation of personal records were made (s.46)?** | **2007/08** | **2008/09** |
| K1 Applications for notation | 0 | 0 |

| Section L – Fees and costs | Assessed costs $ | | Fees received $ | |
|---|---|---|---|---|
| **What fees were assessed and received for FOI applications processed (excluding applications transferred out)?** | **2007/08** | **2008/09** | **2007/08** | **2008/09** |
| L1 All completed requests | 2,975 | 2,517 | 2,975 | 2,517 |

| Section M – Fee discounts | Number of FOI applications (where fees were waived or discounted) | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| How many fee waivers or discounts were allowed and why? | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 |
| M1 Processing fees waived in full | 0 | 0 | 0 | 0 | 0 | 0 |
| M2 Public interest discounts | 0 | 0 | 0 | 6 | 0 | 6 |
| M3 Financial hardship discounts – pensioner or child | 1 | 0 | 0 | 2 | 1 | 2 |
| M4 Financial hardship discounts – non profit organisation | 0 | 0 | 6 | 0 | 6 | 0 |
| **M3 Total** | **1** | **0** | **6** | **8** | **7** | **8** |

| Section N – Fee refunds | Number of refunds | |
|---|---|---|
| How many fee refunds were granted as a result of significant correction of personal records? | 2007/08 | 2008/09 |
| N1 Number of fee refunds granted as a result of significant correction of personal records | 0 | 0 |

| Section O – Days taken to complete request | Number of completed FOI applications | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| How long did it take to process completed applications? | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 |
| O1 0-21 days – statutory determination period | 13 | 6 | 33 | 25 | 46 | 31 |
| O2 22 to 35 days – extended statutory determination period for consultation or retrieval of archived records | 8 | 0 | 20 | 31 | 28 | 30 |
| O3 Over 21 days – deemed refusal where no extended determination period applies | 0 | 0 | 0 | 0 | 0 | 0 |
| O4 Over 35 days – deemed refusal where extended determination period applies | 0 | 0 | 0 | 0 | 0 | 0 |
| **O5 Total** | **21** | **6** | **53** | **56** | **74** | **61** |

| Section P – Processing time: hours | Number of completed FOI applications | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| How long did it take to process completed applications? | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 |
| P1 0 – 10 hours | 13 | 6 | 32 | 56 | 45 | 61 |
| P2 11- 20 hours | 8 | 0 | 20 | 0 | 28 | 0 |
| P3 21 – 40 hours | 0 | 0 | 0 | 0 | 0 | 0 |
| P4 Over 40 hours | 0 | 0 | 1 | 0 | 1 | 0 |
| **P5 Total** | **21** | **6** | **53** | **56** | **74** | **61** |

| Section Q – Number of reviews | Number of completed reviews | |
|---|---|---|
| How many reviews were finalised? | 2007/08 | 2008/09 |
| Q1 Internal reviews | 1 | 2 |
| Q2 Ombudsman reviews | 0 | 0 |
| Q3 ADT reviews | 0 | 3 |

| Section R – Results of internal reviews | Number of internal reviews | | | | | |
|---|---|---|---|---|---|---|
| | Personal | | Other | | Total | |
| Grounds on which the internal review was requested | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 |
| R1 Access refused | 0 | 0 | 1 | 2 | 1 | 2 |
| R2 Deferred | 0 | 0 | 0 | 0 | 0 | 0 |
| R3 Exempt matter deleted from documents | 0 | 0 | 0 | 0 | 0 | 0 |
| R4 Unreasonable charges | 0 | 0 | 0 | 0 | 0 | 0 |
| R5 Failure to consult with third parties | 0 | 0 | 0 | 0 | 0 | 0 |
| R6 Third parties views disregarded | 0 | 0 | 0 | 0 | 0 | 0 |
| R7 Amendment of personal records refused | 0 | 0 | 0 | 0 | 0 | 0 |
| **R8 Total** | **0** | **0** | **1** | **2** | **1** | **2** |

## 16. Guarantee of customer service

Lands seeks to provide a high standard of service delivery, however service delivery outcomes may vary with the nature of the services provided across administrative areas. All requests for information or services are responded to promptly and efficiently as appropriate to customer requests.

Our customers can expect us to prevent unauthorised access to and use of official information and maintain the privacy and confidentiality of information, which is not on the public register.

We consult with clients and stakeholders when planning and delivering products and services and staff and unions when considering changes in work practices.

All public contact staff are trained to provide timely, accurate and balanced advice in a courteous manner. They all have expertise within their fields of enquiry.

All staff adhere to the principles of equal employment opportunity and our code of conduct.

### Consumer complaint and comment

To continuously improve our performance, we value feedback, compliments and complaints regarding our services and performance.

We aim to respond to correspondence received within 14 days and advise clients about the outcome of a complaint and the action being taken. To ensure that prompt action is taken, please direct your correspondence to the appropriate area, as listed.

Business operations feedback/complaint should be referred to the following.

1) Land and Property Information
Executive Officer to the General Manager
Land and Property Information NSW
PO Box 15
Sydney NSW 2001

2) Crown Lands
Coordinator, Client Services
Crown Lands NSW
PO Box 2185
Dangar NSW 2309

3) Soil Conservation Service
Manager, Financial and Administrative Services
Soil Conservation Services
PO Box 3935
Parramatta NSW 2124

Serious complaints and all other feedback/complaint should be referred to
Corporate Governance Officer
Department of Lands NSW
GPO Box 252
Parramatta NSW 2124

feedback@lands.nsw.gov.au

## 17. Funds granted to non-government community organisations

**Local parks and reserves program**

| Trust manager | Project | Grant $ | Loan $ | Total $ |
|---|---|---|---|---|
| Bidjigal Reserve Trust | Signage and on going management works | 36,200 | - | 36,200 |
| Broadwater Koala Reserve Trust | Weed eradication equipment | 410 | - | 410 |
| Broken Hill Regional Events Centre Reserve Trust | Construction of media centre and toilet block | 16,700 | - | 16,700 |
| Broken Hill Regional Events Centre Reserve Trust | Construction of a retaining wall and a contour water drain | 13,180 | - | 13,180 |
| Broken Hill Regional Events Centre Reserve Trust | Completion of the construction of conference facilities | - | 250,000 | 250,000 |
| Byron Island Quarry Reserve Trust | Road works | 30,000 | - | 30,000 |
| Canada Bay Council | Detailed site investigation of St Lukes Park for possible contamination and the preparation of a remedial action plan for the park | 45,000 | - | 45,000 |
| Coffs Harbour Preservation of Native Flora Reserve Trust | On going bush regeneration works | 500 | - | 500 |
| Collambatti Public Hall Trust | Construction of a new hall | 7,500 | 7,500 | 15,000 |
| Collambatti Public Hall Trust | Access ramps and fire equipment | 3,500 | - | 3,500 |

| Trust manager | Project | Grant $ | Loan $ | Total $ |
|---|---|---|---|---|
| Cooma Monaro Council | Renovation of Pioneers' Memorial | 5,000 | - | 5,000 |
| Corindi Beach Reserve Trust | Completion of building repairs | 5,000 | - | 5,000 |
| Corindi Beach Reserve Trust | Establishment grant | 2,000 | - | 2,000 |
| Dooralong Community Reserve Trust | Building repairs | 2,000 | 3,000 | 5,000 |
| Eatonsville Public Hall Reserve Trust | Upgrade of toilet block | 1,400 | - | 1,400 |
| Elsmore Soldiers Memorial Hall Reserve Trust | Replacement of windows | 800 | 1,000 | 1,800 |
| Ethnic Communities Council Newcastle and Hunter Region Inc | Steel fencing works at the Waratah Community Reserve | 5,000 | 15,000 | 20,000 |
| Euchareena Public Hall Trust | Improvements to supper room | 2,500 | - | 2,500 |
| Exdous Foundation | Adolescent and child safe landscaping and fire protection works at the former Ashfield School of Arts building | 9,890 | - | 9,890 |
| Ganmain Memorial Gardens Trust | Fencing works | 1,300 | - | 1,300 |
| Goolongong Memorial Hall Trust | Structural repairs to beams, piers, downpipes and replacement of windows | - | 9,000 | 9,000 |
| Gore Hill Memorial Cemetery Trust | On going maintenance works | 14,000 | - | 14,000 |
| Goulburn Golf Course Trust | Removal of dead and dangerous trees | 10,000 | - | 10,000 |
| Greater Taree City Council | River bank stabilisation works at Wingham Recreation Reserve | 4,000 | - | 4,000 |
| Gresford Park Trust | Legal fees | 2,850 | - | 2,850 |
| Hernani Public Hall Reserve Trust | Exterior painting works | 4,722 | - | 4,722 |
| Hillston Common Trust | Creation of a firebreak around Hillston Common | 6,600 | - | 6,600 |
| Homebush Recreation Reserve Trust | Purchase of trestle tables and chairs | 2,845 | - | 2,845 |
| Ilford Recreation Reserve Trust | Roofing works and the installation of new windows at the hall | 13,850 | - | 13,850 |
| Inverell Shire Council | Improvements to roads and the provision of additional camp sites at Pindari Dam Reserve | 3,000 | - | 3,000 |
| Ivanhoe Cemetery Reserve Trust | Toilet facility | 5,310 | - | 5,310 |
| Laggan Recreation Reserve | Painting, signage and general maintenance works | - | 5,900 | 5,900 |
| Lightning Ridge Historical Society Reserve Trust | Termite detection station and eradication works | 3,500 | - | 3,500 |
| Lockhart Shire Council | Fencing works at The Rock Recreation Reserve | 4,750 | - | 4,750 |
| Maitland City Council | Completion of playground equipment at the Ray Lawler Reserve | 5,000 | - | 5,000 |
| Menindee Lakes Reserve Trust | Electrical works | 7,000 | - | 7,000 |
| Men's Shed Maitland Inc | Fencing works | 5,000 | - | 5,000 |
| Mooni Recreation Hall Trust | Fencing, ramps, handrails for entrance and toilet facility for disabled | 1,956 | 2,355 | 4,311 |
| Moore Creek Caves Reserve Trust | New gates | 3,500 | - | 3,500 |
| Old Bega Hospital Reserve Trust | Temporary fencing hire | 2,475 | - | 2,475 |
| Old Bega Hospital Reserve Trust | Repair and stabilise rear wall of laundry and property insurance premium | 9,595 | - | 9,595 |
| Parkes Showground Trust | Ride-on mower | 3,787 | 10,000 | 13,787 |
| Patonga Public Hall Trust | Removal of asbestos in building roof | 10,000 | 2,000 | 12,000 |
| Port Stephens Community Arts Trust | Building repairs | 9,000 | - | 9,000 |
| Red Rock Coast Trust | Establishment grant | 2,000 | - | 2,000 |
| Rocky Hall Community Centre Trust | Building improvements of painting, walls, windows and roofing | 20,020 | - | 20,020 |
| Rowena Tennis Club Reserve Trust | New steps | 2,500 | - | 2,500 |

| Trust manager | Project | Grant $ | Loan $ | Total $ |
|---|---|---|---|---|
| Ruthven Recreation and Preservation of Native Flora Reserve Trust | All weather vehicular access | 1,800 | - | 1,800 |
| Rye Park Showground Trust | Toilet facility for the disabled | 8,000 | - | 8,000 |
| Six Foot Track Heritage Trust | On-going maintenance and rehabilitation works | 25,000 | - | 25,000 |
| Sodwalls Tennis Courts Reserve Trust | Repair and paint clubhouse and replace guttering, toilet block repairs and general maintenance works | 2,850 | - | 2,850 |
| South Pacific Electric Railway Cooperative Ltd | Relocation of the kiosk and bookshop at the Sydney Tramway Museum | 10,000 | 25,000 | 35,000 |
| Spring Plains Public Hall Trust | Electrical works | 3,000 | - | 3,000 |
| St Albans Common Trust | Noxious weed eradication and fencing works | 900 | - | 900 |
| Tabulam Racecourse Reserve Trust | Upgrade of electricity | 2,500 | - | 2,500 |
| Tibooburra Cemetery Reserve Trust | Fencing works | 6,820 | - | 6,820 |
| Towrang Community Hall Trust | Re roofing section of hall, lining of ceilings and walls and the replacement of two windows and a door | 20,000 | - | 20,000 |
| Towrang Stockade Trust | Safety hand rail, brochure and sandstone slab | 3,950 | - | 3,950 |
| Tuggerah Lakes Reserve Trust | Removal of asbestos in the dairy cottage and restoration of silo roof | 13,000 | 18,000 | 31,000 |
| Uki Public Hall Recreation Reserve Trust | Construction of a landing at the exit stairs of the hall | 2,000 | 2,000 | 4,000 |
| Wadesville Reserve Trust | Storage shed | 12,000 | - | 12,000 |
| Wentworth Park Sporting Complex Trust | Demolition of Paddy Gray Stand | - | 70,000 | 70,000 |
| Willow Bend Caravan Park Reserve Trust | Demountable kitchen | 5,000 | - | 5,000 |
| Wollombi Museum Trust | Restoration of courtroom windows | 10,000 | - | 10,000 |
| Woodsreef Reserve Trust | Fencing, signage and the upgrading of the picnic area | 8,000 | - | 8,000 |
| Young Shire Council | Removal of dangerous trees at Young Golf Course | 5,000 | - | 5,000 |
| **Total** | | **490,860** | **414,855** | **905,715** |

### Showgrounds program

| Trust manager | Project | Grant $ | Loan $ | Total $ |
|---|---|---|---|---|
| Albury Showground Trust | Replacement of the Watson Hall with a multi purpose building | 30,000 | 60,000 | 90,000 |
| Alstonville Agricultural Society Inc | Improvements to Barbecue area | 2,562 | - | 2,562 |
| Ashford Showground Trust | Renewal of the front entrance and signage | 2,000 | 1,500 | 3,500 |
| Barellan Showground and Racecourse Trust | Stage one electrical upgrading works | 20,000 | 7,000 | 27,000 |
| Bedgerebong Recreation Ground Trust | Tree lopping and the purchase of a rainwater tank | 5,875 | 2,000 | 7,875 |
| Bemboka Showground Trust | Replacement of stock yards | 10,000 | 4,000 | 14,000 |
| Cobargo Showground Trust | Extensions to the canteen block | 12,000 | 12,000 | 24,000 |
| Dorrigo Showground Trust | Upgrading the entrance road | 3,000 | 3,000 | 6,000 |
| Eurobodalla Shire Council | Construction of steel yards at Moruya Showground | 3,000 | 2,000 | 5,000 |
| Great Lakes Council | Construction of new stock yards and ring fence at Bulahdelah Showground | 4,000 | 4,000 | 8,000 |
| Gulargambone Showground and Racecourse Trust | Installation of watering system | 3,000 | - | 3,000 |
| Guyra Shire Council | Construction of a new cattle shed at Guyra Showground | 5,000 | 12,000 | 17,000 |
| Hay Shire Council | Construction of a multi purpose building at Hay Showground | 10,000 | 32,000 | 42,000 |
| Hunter River Agricultural and Horticultural Association Ltd | Relocation of show camping area, electrical works and water cycling project at Maitland Showground | 89,000 | - | 89,000 |

| Trust manager | Project | Grant $ | Loan $ | Total $ |
|---|---|---|---|---|
| Jingellic & District P A & H Society Inc | Upgrading of former school building at Jingellic Showground | 6,000 | 3,000 | 9,000 |
| Kempsey Showground Trust | Roofing and cupola on main pavilion and improvements to caretakers cottage | 70,000 | - | 70,000 |
| Kempsey Showground Trust | Operational grant | 10,000 | - | 10,000 |
| Kempsey Showground Trust | Removal of a dangerous tree | 5,435 | - | 5,435 |
| Kempsey Showground Trust | Continuation of upgrading works | 50,000 | - | 50,000 |
| Liverpool Plains Shire Council | Purchase of materials for the refurbishment of a pavilion at Quirindi Showground | 3,200 | - | 3,200 |
| Liverpool Plains Shire Council | Painting of grandstand gable and steel steps at Quirindi Showground | 1,700 | 1,500 | 3,200 |
| Murwillumbah Showground Trust | Construction of a retaining wall and an access ramp for disabled access to the main pavilion | 10,000 | 12,000 | 22,000 |
| Narromine Shire Council | Construction of an amenities block at Narromine Showground | 20,000 | 25,000 | 45,000 |
| Robertson Showground Trust | Concreting under awning attached to the bar and canteen | 5,000 | - | 5,000 |
| Shoalhaven City Council | Construction of toilet facilities for the disabled and additional showers at Berry Showground | 5,000 | 5,000 | 10,000 |
| Tamworth Regional Council | Construction of permanent seating in a stand at Barraba Showground | 7,500 | 7,500 | 15,000 |
| Temora Showground Trust | Electrical upgrading in the main pavilion and relocation of power supply underground | 9,500 | 10,000 | 19,500 |
| Temora Showground Trust | Construction of a multi purpose building | 4,800 | 4,800 | 9,600 |
| Wee Waa Racecourse and Showground Trust | Ride on mower | 2,500 | 3,000 | 5,500 |
| Wee Waa Racecourse and Showground Trust | Electrical upgrading works | 15,650 | 5,000 | 20,650 |
| Wellington Council | Construction of a toilet facility for the disabled at Wellington Showground | 5,000 | 5,000 | 10,000 |
| Wellington Council | Construction of a multi-purpose pavilion at Wellington Showground | 5,000 | 15,000 | 20,000 |
| Wentworth Shire Council | Completion of fencing works at Wentworth Showground | 4,500 | 4,000 | 8,500 |
| West Wyalong Showground Trust | Completion of staged electrical upgrading works | 32,413 | - | 32,413 |
| Wingham Showground Trust | Construction of an entrance road | 6,000 | 6,000 | 12,000 |
| Woodenbong Reserve Trust | Improvements to dining area of the pavilion | 3,000 | 2,000 | 5,000 |
| **Total** | | **$481,635** | **$248,300** | **$729,935** |

**Caravan parks development works program**

| Trust manager | Project | Grant $ | Loan $ | Total $ |
|---|---|---|---|---|
| Bega Valley Shire Council | Business plan for Zane Grey Tourist Park | 20,000 | - | 20,000 |
| Coffs Harbour City Council | Construction of two new cabins and the replacement of thee cabins at Park Beach Holiday Park | - | 400,000 | 400,000 |
| Coffs Harbour City Council | Upgrading of the hot water systems in the amenities blocks and cabins at Park Beach Holiday Park | - | 106,000 | 106,000 |
| Coffs Harbour City Council | Construction of two new cabins and the replacement of thee cabins at Sawtell Beach Holiday Park | - | 400,000 | 400,000 |
| Coffs Harbour City Council | Upgrading of the hot water systems in the amenities blocks and cabins at Sawtell Beach Holiday Park | - | 51,000 | 51,000 |
| Great Lakes Council | Construction of three cabins at Hawks Nest Beach Caravan Park | - | 170,000 | 170,000 |

| Trust manager | Project | Grant $ | Loan $ | Total $ |
|---|---|---|---|---|
| Kiama Municipal Council | Redevelopment of pavilion, spectator stand, car parking and landscaping works at Kiama Showground | - | 2,500,000 | 2,500,000 |
| Moonee Beach Reserve Trust | Purchase and installation of cabins | - | 290,000 | 290,000 |
| Port Macquarie Hastings Council | Construction of barbecue shelter/recreation room and boom gates at the Beachfront Caravan Park | - | 50,000 | 50,000 |
| Port Macquarie Hastings Council | Study of future water and sewerage requirements and construction of boom gates at the Bonny Hills Caravan Park | - | 30,000 | 30,000 |
| Wyong Shire Council | Refurbishment of cabins at Toowoon Bay Holiday Park | - | 25,000 | 25,000 |
| Wyong Shire Council | Construction of camp kitchen and landscaping works at Toowoon Bay Holiday Park | - | 265,000 | 265,000 |
| Wyong Shire Council | Construction of bunkhouse accommodation at Norah Head Holiday Park | - | 80,000 | 80,000 |
| Wyong Shire Council | Landscaping works at Norah Head Holiday Park | - | 23,000 | 23,000 |
| Wyong Shire Council | Refurbishment of cabins at Canton Beach Holiday Park | - | 20,000 | 20,000 |
| Wyong Shire Council | Landscaping works at Canton Beach Holiday Park | - | 20,000 | 20,000 |
| Wyong Shire Council | Construction of a camp kitchen at Budgewoi Holiday Park | - | 140,000 | 140,000 |
| **Total** | | **20,000** | **4,570,000** | **4,590,000** |

### Consultancy program

| Trust manager | Project | Grant $ | Loan $ | Total $ |
|---|---|---|---|---|
| Kempsey Showground Trust | Arborist Report | 2,000 | - | 2,000 |
| Byron Island Quarry Reserve Trust | Review of plan of management | 10,000 | - | 10,000 |
| Blue Mountains City Council | Plan of management for Blackheath Memorial Park | 12,130 | - | 12,130 |
| Berrima Courthouse Trust | Structure Condition Assessment Report and Management Maintenance Strategy Report | 29,350 | - | 29,350 |
| Pittwater Council | Additional funding towards the plan of management for Church Point Reserve | 20,000 | - | 20,000 |
| **Total** | | **73,480** | **-** | **73,480** |

### Reserves of high visitation/regional significance

| Trust manager | Project | Grant $ | Loan $ | Total $ |
|---|---|---|---|---|
| Burrendong Arboretum Trust | Operational grant for 2008/09 and the construction of wheel chair access to the Fern Gully | 95,100 | - | 95,100 |
| Burrinjuck Waters State Park Trust | National Disasters Mitigation Program | 152,000 | - | 152,000 |
| Cudgegong River Park Trust | Construction of a new office and a manager's residence | - | 220,000 | 220,000 |
| Goobarragandra Valley Reserves Trust | Operational grant for 2008/09 | 11,000 | - | 11,000 |
| Lake Burrendong State Park Trust | Manager's residence | 160,000 | - | 160,000 |
| Maitland City Council | Operational grant for 2008/09 for the Walka Water Works | 70,000 | - | 70,000 |
| Penrose Park Recreation Reserve Trust | Operational grant for 2008/2009 | 20,000 | - | 20,000 |
| Wee Jasper Reserves Trust | Operational grant for 2008/2009 | 80,000 | - | 80,000 |
| **Total** | | **588,100** | **220,000** | **808,100** |

### Drought assistance relief program

| Trust manager | Project | Grant $ | Loan $ | Total $ |
|---|---|---|---|---|
| Binnaway Racecourse Trust | Fencing works | 4,000 | - | 4,000 |
| Bobadah Public Hall Trust | Installation of water tank, guttering and pump. | 4,000 | - | 4,000 |
| Collie Recreation Reserve Trust | Exterior painting and replacement of the verandah of the tennis clubhouse | 3,270 | - | 3,270 |
| Mandamah West Recreation Reserve Trust | Fencing, water storage, guttering and resurface of tennis courts | 10,000 | - | 10,000 |
| Mendooran Recreation Reserve Trust | Restoration of toilet amenities | 8,000 | - | 8,000 |
| Moore Creek Reserve Trust | Fencing works | 4,000 | - | 4,000 |
| **Total** | | **33,270** | **-** | **33,270** |

### Land and Property Information

| Organisation | Project | Grant $ |
|---|---|---|
| Charles Sturt Foundation | Grant to support six scholarship places at Charles Sturt University | 18,000 |
| Australian Computer Society | Grant to support one scholarship place at Charles Sturt University | 2,000 |
| University of New South Wales | Grant to support one “Taste of Research” Scholarship | 5,000 |
| University of New South Wales | Surveyor-General’s Scholarship in Surveying | 14,000 |
| Jai Reddy | Surveyor-General’s International Fellowship in Surveying and Spatial Information | 15,000 |
| Shane Brunker | Surveyor-General’s International Fellowship in Surveying and Spatial Information | 15,000 |
| University of NSW | Industry Day; School of Surveying and SIS | 200 |
| Association of Consulting Surveyors | “Open up your World” DVD | 2,000 |
| Spatial Sciences Institute | Speed Networking Event | 300 |
| Institution of Surveyors NSW Inc | Restoration of Surveyor-General’s Grave Sites (Allworth, Davidson) | 6,800 |
| University of Melbourne | ARC Linkage Project, Automating and Updating Metadata Processes | 20,000 |
| **Total** | | **98,300** |

### Crown reserve projects

| Reserve | Contractors $ | Other $ | Total $ |
|---|---|---|---|
| Coffs Harbour Jetty Foreshores | 18,247 | 2,564 | 20,811 |
| Port Stephens Reg. Crown Res. Project Mg | 113,416 | 25,049 | 138,465 |
| Goolawah Regional Crown Reserve | 3,796 | - | 3,796 |
| Lot 490 Ecotourism Development | 4,170 | - | 4,170 |
| Clarkes Beach Cafe | - | 92 | 92 |
| Hunter Central Coast Crown Lands Reserve Trust | - | 500,728 | 500,728 |
| Port Macquarie CBD Crown Foreshores Project | - | 56,868 | 56,868 |
| PRMF Angourie Surfing Reserve | - | 5,627 | 5,627 |
| Tweed Commercial Marine Precinct | 45,801 | 27,599 | 73,400 |
| Tweed Coast Regional Crown Reserve | 21,780 | - | 21,780 |
| Port Stephens Waterfront Masterplan (not approved) | 31,250 | - | 31,250 |
| Salamander Bay/Taylors Beach Land Evaluation | 20,947 | 30 | 20,977 |
| Patonga Pelican POM | - | 20,000 | 20,000 |
| Nelson Bay Foreshore | 11,640 | - | 11,640 |
| Mereweather Beach POM | 13,135 | - | 13,135 |
| King Edward Headland Restoration | 18,420 | - | 18,420 |
| **Total** | **302,602** | **638,557** | **941,159** |

The Public Reserve Management Fund provides funds for the ongoing maintenance of walking tracks, waterside reserves, campsites and major recreational projects administered by Lands. During 2008/09 funds spent on recreational projects are listed below.

- Great North Walk – $106,834.
- Hume and Hovell Walking Track – $36,699.
- South Region Walking Tracks and Waterside Reserves – $26,621.

## 18. Heritage assets

### Heritage asset management

Lands is responsible for the management of heritage sites on Crown land. Under s.170 of the *NSW Heritage Act 1977*, government agencies are responsible for keeping a register of heritage items owned, occupied or managed by the agency (the Section 170 register). It is a requirement of this legislation that the register be made publicly available.

Lands built the Government Property System (GPR) in 2005 to collect information on all properties owned or managed by Lands including Crown land but is currently not available to the public. The GPR already captures some of the metadata that is required for heritage properties such as legal owner, address, parcel details and provides a link to SIX for spatial views of all properties. All of the property information is kept up-to-date and verified through the Enterprise Service Bus with other Lands systems (ITS, IPW, DCDB and subscribes to CRR and CLID).

It is proposed that the GPR should be a suitable foundation to store the additional information for heritage properties required by the Section 170 register. As such, the GPR would provide maintenance screens for the heritage data but a separate public site would be built to search for and deliver the data. Lands' heritage website is currently being designed by the Information Communications and Technology Unit.

### Internal customers and stakeholders

Lands' heritage website will provide information to all staff on Lands' history. It will provide staff with information about upcoming events and exhibitions which Lands is participating in. It will allow staff to liaise with outside stakeholders through community contributions such oral history submissions and user forums.

The website will also provide staff with details on the heritage items which the Department holds. This will include information such as historical and aesthetic significance, loans information, registration and tracking information, conservation information.

The website will provide Crown Lands staff with information on assets on Crown land which have been listed on the Section 170 Register. This will include information such as historic and aesthetic significance and land titling details.

### External customers and stakeholders

The Lands heritage website will provide the NSW public with information about the assets held on Crown land which are held on the Section 170 Register. This is a legislative requirement under the *NSW Heritage Act 1977* which is not currently being met.

The website will provide the historical community with information on the heritage items held by Lands, for example, the surveying instruments collection and the original documents and artworks. This will contribute to knowledge of surveying, land administration and management and land titling in this country.

### Heritage maintenance

In 2009/10, 1 Prince Albert Road, Queens Square, Sydney has engaged the Government Architects Office (GAO) and the Heritage and Building Services (HABS) at Commerce to conduct a stone conservation and associated works (external) – condition report and maintenance plan.

The GAO Heritage Group and HABS teams will use in-house expertise (and external specialist consultants where necessary) across a range of disciplines to deliver this project.

### Project scope

The scope of the condition assessment and maintenance plan shall include the following.

- Two stages for assessment and reporting (1914 – 1952 sandstone buildings and 1962 brick building and lightwell).
- Stage 1 – to be assessed over three days and an interim condition assessment report prepared.
- Stage 2a – a preliminary assessment and further works (stage 2b) subject to recommendations.
- A combined stage 1 and 2 exterior condition assessment report.
- Heritage significance will be summarised in the condition assessment report (based on the conservation management plan and other existing documentation).
- Stage 3 – a five-year maintenance plan will include both stages 1 and 2.
- Stone selection (new replacement stone and stone finish), schedules of repair works and budget estimates will be provided for stone and roofing works in the maintenance plan. Associated elements including windows, metal conservation, flags etc. will be included.
- Capital works (major works including catch up maintenance) will be included in the maintenance plan.

### Office accommodation guidelines and standards

Lands had prepared an office accommodation guidelines and standards. The aim of these heritage interior guidelines is to give sound advice on upgrading interiors and accommodation within Lands' heritage buildings.

In 2009 a toilet upgrade strategy had been completed by architects Jaime Kleinert Architect Pty Ltd. The report's aim is to propose a selection of fittings, fixtures and finishes for use in upgrading of the toilets in the 1 Prince Albert Road building. The aim being to enable:

- consistent equipment and finishes for future toilet refurbishments
- reduce design time spent on each toilet refurbishment
- ensure robust and low maintenance fixtures and finishes are used
- ensure well designed fixtures and finishes are used
- ensure that the fixtures maximise energy and water savings.

## 19. Legislation and legal change

### Legislation

During the year a number of amendments were made to the legislation and regulations administered by the Department, as set out below.

### Amended legislation

*Real Property and Conveyancing Legislation Amendment Act 2009*

The Act amends the *Real Property Act 1900* in respect of the Torrens assurance fund provisions by clarifying the matters in respect of which a claim can be made. It also provides for the further facilitation of abandonment of easement. The amendment also strengthened the verification of identity by making it a requirement for mortgagees to verify the identity of the mortgagor, and for a witness to a land dealing to have either known the person signing for 12 months or to have taken reasonable steps to verify their identity.

The Act also amended the *Conveyancing Act 1919* to enable registration of a plan, without the need for a subdivision certificate, in redefining the boundaries of Crown land that was converted to Torrens title as part of the Crown title conversion project. The amendment also imposes a statutory duty on mortgagee, when selling land under a power of sale, to sell the land for not less than its market value.

*Western Lands Amendment Act 2009*

The Act amended the *Western Lands Act 1901* to provide for the creation of easements to maintain the dog-proof fences that are erected along parts of the NSW/Queensland and NSW/South Australia borders, and to increase the number of members on the Western Lands Advisory Council from 14 to 15 and to clarify the powers that may be exercised in relation to the establishment of fencing conditions for western lands leases. The Act also clarifies the powers that can be

exercised in relation to the creation of public roads over freehold land in the Western Division, clarifies the objects of the Act and brings the Western Division local lands boards within the scheme for local lands boards established under the *Crown Lands Act 1989*.

### *Dividing Fences and Other Legislation Amendment Act 2008*

Amends the *Dividing Fences Act 1991* to enable an adjoining owner to seek a contribution for the carrying out of work to a retaining wall, where the wall is necessary for the support and maintenance of a dividing fence, and to enable orders relating to that work to be made under the Act. Also amends the *Dividing Fences Act 1991* to enable the local land board to make certain orders in respect to dividing fences.

### *Western and Crown Lands Amendment (Special Purpose Leases) Act 2008*

This Act amends the *Western Lands Act 1901* and the *Crown Lands Act 1989* so as to facilitate the granting of special purpose leases in relation to land within the Western Division of NSW. The amendments allow, for example, the granting of a special purpose lease to enable the establishment of a wind farm (to generate electricity) over land that is currently leased for grazing purposes. While most of the land may remain available for grazing, any particular part of it (other than the site of a dwelling-house or other significant improvement) could become the site of a windmill or other structure ancillary to a wind farm.

### *Rookwood Necropolis Repeal Act 2009*

This Act repealed the *Rookwood Necropolis Act 1901*, transferred the administration of the Rookwood Necropolis to the *Crown Lands Act 1989* and established the Rookwood Necropolis Trust under the *Crown Lands Act 1989*.

## Regulations

During the year a number of the Department's regulations were due for repeal under the *Subordinate Legislation Act 1989*. The Department used the opportunity to thoroughly review plan and document registration procedures. The regulations repealed and remade were:

- *Real Property Regulation 2008*
- *Conveyancing (General) Regulation 2008*.

### *Conveyancing (Sale of Land) Amendment (Planning Certificates) Regulation 2009*

Due to an amendment to the *Environmental Planning and Assessment Regulation 2000* by the insertion of a new clause 279(2) to provide for the issue of a 'limited' section 149(2) certificate which would only contain information relating to complying development, an amendment to the *Conveyancing Act 1919* was necessary. The amendment relates to the definition of a section 149 certificate to make it clear that a section 149(2) certificate does not include a limited certificate containing information only relating to complying development.

The *Strata Scheme (Freehold Development) Amendment Regulation 2008* and the *Strata Scheme (Leasehold Development) Amendment Regulation 2008* commenced on 12 December 2009. The amendments were made to mirror amendments made to the *Conveyancing (General) Regulation 2008* to facilitate changes to the plan process. In addition, a new obligation has been introduced requiring that before a strata certificate is issued, the council or accredited certifier must inspect the strata building.

## Statute law revision

The following Acts were amended by the *Statute Law (Miscellaneous Provisions) Act 2008*.

- *Real Property Act 1900* – section 47(6) was amended by inserting the words 'registered dealing in the approved form'.
- *Powers of Attorney Act 2003* – updated references to repealed legislation.
- *Strata Scheme (Freehold Development) Act 1976* – updated references to repealed legislation and to correct a typographical error by substituting the word 'conversion' for the word 'subdivision' in section 37A.
- *Strata Scheme (Leasehold Development) Act 1986* – updated references to repealed legislation and to correct a typographical error to substitute the word 'conversion' for the word 'subdivision' in section 66A.

## Significant judicial decisions involving Lands

### Perpetual Trustees Victoria Limited v Peter Van den Heuvel & Anor [2009] NSWSC 57

This was a claim based on a fraudulent execution of a mortgage by one of the two joint proprietors of land. The registered proprietor, who was the victim of the fraud, cross-claimed against the Registrar General for compensation from the Torrens assurance fund.

The Registrar General defended the claim by arguing that the mortgage was a Tsai-type mortgage and consequently secured a debt of nothing. The court ruled against this argument because one of the joint tenants of the land had signed the mortgage documents and therefore attached indefeasibility to the memorandum of mortgage and the loan agreement. The Registrar General was ordered to pay compensation to the cross-claimant.

The decision is now the subject of an appeal by the Registrar General.

### Perpetual Trustees Victoria Limited v Peter Van den Heuvel No. 2 [2009] NSWSC 483

This decision were consequential orders which arose due to the earlier decision quoted above. The cross-claimant, registered proprietor, claimed that she was entitled as a joint tenant to compensation from the Registrar General amounting to the full value of the property.

The Registrar General argued that the cross-claimant was entitled to only half the value of the property due to the fraud of the other joint tenant.

The judgement agreed with the Registrar General that it is a presumption that two joint tenants have a one-half beneficial interest in the property and that the compensation can only place the victim of a fraud in the same, and not a more beneficial, position than before the fraud occurred.

The decision is now the subject of an appeal by the Cross-Claimant.

### Perpetual Trustees Victoria Limited v Ann-Marie Menzies; Finance Express (Qld) Pty Limited (In liq) v Ann-Marie Menzies [2009] NSWSC 352

This claim is based on two registered Tsai-type mortgages on the subject land; both of which are claimed to be fraudulent. There is a cross-claim against the Registrar General for compensation from the Torrens assurance fund.

The Registrar General filed a notice of motion for an order to be made for a separate determination of a question. The question was, 'whether, upon the proper construction of [the relevant mortgage] and on the assumption that the mortgage was not entered into by the defendant or by anyone acting with her knowledge or approval and that she obtained no benefit from the moneys advanced on the security of the mortgage, there is an amount owing to the plaintiff by the defendant the payment of which is secured by the mortgage'.

The decision was that the separate question be answered 'no'. The decision may result in future claims against the Registrar General; involving Tsai-type mortgages where there is an allegation of fraud; being dismissed on the basis of similar separate questions being answered in such a way.

### Perpetual Trustees Victoria Limited v Cipri & Anor [2009] NSWSC 335

This was a claim based on a fraudulent execution of a mortgage by one of the two joint proprietors of land. The registered proprietor, who was the victim of the fraud, cross-claimed against the Registrar General for compensation from the Torrens assurance fund.

The facts in this case are similar to the case quoted above; *Perpetual Trustees Victoria Limited v Peter Van den Heuvel & Anor [2009] NSWSC 57*.

The Registrar General in this case sought orders of indemnity or alternatively, contribution to the compensation payable together with costs against the registered proprietor who committed the fraud. These orders were made.

The decision also ordered the Registrar General to pay compensation to the registered proprietor who was victim of the fraud.

### Torrens Assurance Fund

During 2008/09 financial year the Registrar General made several payments in response to claims against the Torrens assurance fund totalling $4,780m.

This sum includes compensation payments and legal fees of claimant parties.

## 20. Major assets acquired (other than land holdings)

The total of Lands' property, plant and equipment (PPE) assets was $159m as at 30 June 2009. There were no major retirements of PPE assets during the year.

The transfer of land and buildings from the former Department of Natural Resources that commenced in the 2007/08 year was finalised in 2008/09.

The following major asset acquisitions were made during the year.

- Building improvements: $1.2m.
- Plant and equipment, including EDP: $6.1m.
- Land and building transferred from DNR: $2.9m.

Work continued on a number of information technology capital projects during 2008/09, which are classified under the intangible asset category.

Outlays on major projects and acquisitions included:

- Crown Lands Conversion Project: $2.0m
- conversion of manual Torrens titles: $1.6m
- ePlan portal development: $0.6m
- ePlan technical consultancy: $0.5m
- scanning old form register: $0.7m
- BOAR: $0.5m
- ecommerce project: $0.5m
- enterprise imagery repository: $0.5m
- LiDAR system: $1.5m.

## 21. Research and development

### Land and Property Information

**Aid in Emergencies by Remote Observation (AERO)**

Imagery taken from satellite, aircraft and ground-based systems has been playing a more and more important role in emergency responses to disasters such as bushfires, floods and earthquakes. During 2008/09 extensive research was conducted to better understand how satellite remote sensing technology can be used for disaster mitigation in near real-time, that is, within a few hours of image capture. The study was carried out in partnership with the CRC for Spatial Information and the University of New South Wales. As a result of the research, it was possible to deliver GIS-ready results within five hours during the Victorian bushfire emergency in February 2009. Lessons learned from this deployment are now being applied to planning for NSW emergency events undertaken within Lands' Emergency Information Coordination Unit.

**eBulletin readership survey**

LPI has been producing a tri-annual bulletin for electronic distribution to clients since mid 2007. The April 2009 edition of the ebulletin delivered to 3,000 client subscribers included a link to a voluntary online readership survey. The purpose of the survey was to determine satisfaction with the various ebulletin attributes and to garner suggestions to assist in setting future direction, visually and editorially. Approximately 10% of the readership base provided responses. The findings of the research indicate that there is little to change about appearance, language and content other than minor cosmetic issues. Directionally, the ebulletin will continue to provide information about new products and services, as well as incorporating more news on changes to existing operations.

### Crown Lands

- Carbon sequestration rights establishment over western lands perpetual lease holdings and in general the definition and application, by Lands, over compliant carbon sequestration submission requirements for CLD.
- Biodiversity conservation and the application of biodiversity conservation credits upon/from Crown land in general, and as may be applied in support of Treasury Homesites Development Program within the defined Sydney metropolitan area actioned by Landcom.
- Marina and commercial water-based business valuation procedures were researched and developed for the marina and boating industries on Crown land. The findings of the research were received and supported by the industry.
- Mass appraisal or mass valuation procedures for parts of the CLD tenures portfolio has been developed and approved by the Valuer General and the General Manager LPI for further researched.
- In 2008, the manager of the Anglican and General Cemetery Trust at Rookwood was commissioned to investigate potential cemetery sites in Sydney's south-west region. The report identified two possible Crown land sites as worth further investigation, an existing cemetery at Wilton and Crown land at Bargo. The report has been discussed with the Department of Planning in the context of the broader Sydney Metro strategy.

## 22. Major works

### LPI buildings

| Capital works completed or in progress as at 30 June 2009 | Cost to date $ | Cost overrun $ | Est. date of completion |
|---|---|---|---|
| *Queen Square Building, 1 Prince Albert Road, Sydney (Heritage building)* | | | |
| Lift modernisation (north) | 95,450 | Nil | Completed Sept 08 |
| Sprinkler pump replacement | 15,240 | Nil | Completed June 08 |
| Upgrade fire mains, stage 1 | 20,068 | Nil | Completed June 09 |
| Power factor unit | 2,455 | Nil | Completed June 09 |
| Lift modernisation (south) | 212,388 | Under budget | Completed June 09 |
| Electrical riser upgrade, stage 1 (West) | 6,000 | Nil | Completed Dec 08 |
| Fire stairs upgrades, stage 1 | 14,000 | Nil | Completed June 09 |
| Mezzanine upgrade | 355,606 | Nil | Completed Dec 08 |
| Loading dock air conditioning | 19,895 | Under budget | Completed Nov 08 |

| Capital works completed or in progress as at 30 June 2009 | Cost to date $ | Cost overrun $ | Est. date of completion |
|---|---|---|---|
| *Panorama Ave, Bathurst (Non-heritage building)* | | | |
| BMCS upgrade | 135,742 | Nil | Completed June 09 |
| Upgrade electrical boards | 45,778 | Nil | Completed March 09 |
| Upgrade AHU coils | 26,857 | Under budget | Completed June 09 |

**Crown Lands buildings**

| Capital works completed or in progress as at 30 June 2009 | Cost to date $ | Cost overrun $ | Est. date of completion |
|---|---|---|---|
| Wingewarra Street, Dubbo | 466,779 | 1,000 | June 09 |

## 23. Marketing communication outcomes

Lands' Communication Solutions Group (CSG) is responsible for providing leadership in internal and external communication initiatives across all of Lands' divisions and business units.

CSG's key achievements during 2008/09 included:

- ongoing promotion of Lands' corporate branding through implementation of corporate communication strategy and the redesign of corporate style guidelines
- the development and implementation of communication strategies for both programs including:
  - caravan and camping expos at Rosehill, Hunter, Brisbane and Kembla Grange aimed at raising awareness of Crown land recreational facilities
  - managing Lands' reputation via a targeted media campaign for the 2008 valuations
  - management of Lands' RACA sponsorship of the Community of the Year award and the Crown Reserve Trust Award, including media campaign
  - managing a new strategic partnership with the Clean Up Australia Day Council, where reserve trusts were encouraged to register under the theme 'Clean up NSW Crown reserves'
  - developing a range marketing collateral to build the brand and promote Lands' products including brochures, directories, calendars, posters, online web banners, t-shirts, caps, environmental shopping bags, water bottles, postcards, etc
  - promotion of the 2008 Grabine Country Muster held at Grabine Lakeside State Park
- continual redesign and updating of www.caravanandcampingnsw.com.au which was attracting more than 30,000 visits per month by May 2009, a 60% increase on visits from December 2008
- development and distribution of quarterly enewsletters for www.caravanandcampingnsw.com.au which had more than 7,400 subscribers at the end of May 2009 and a 40% open rate, and reserve trusts which has been distributed to 203 subscribers. It gained a 40% open rate
- raising awareness and understanding of Lands' services among key audiences by developing a presence at targeted conferences and events such as three field days, Marina Industry Conference, Coastal Conference, boat shows, numerous local government conferences and tourism events
- ongoing currency and integrity of Lands' websites, including implementing a new 'Google Search' function on all Lands websites
- the production of Inlands magazine, a quarterly staff magazine where stories are shared across the divisions as well as key initiatives are profiled
- managing the Department's intranet where divisions profile their projects, policy and procedural changes to their staff or to all Lands staff.

## 24. Occupational health and safety (OHS)

The key purpose of Lands' OHS strategy is to demonstrate a commitment to a positive health and safety culture, raise awareness and understanding of OHS issues and provide tools to enable managers and staff to improve workplace safety. Lands' focus is on safety risk management for the prevention of injuries and illnesses through hazard identification. When an injury occurs early intervention is instigated to achieve a safe and durable return to work.

Performance against key performance indicators demonstrate a commitment to continually improve OHS efficiencies awareness and OHS culture internally through:

- the provision of monthly OHS report to the executive committee
- regular updates and reports to the LPI HR sub committee on significant OHS issues
- advice to the Lands OHS committees on current incident data and risk management measures.

With the establishment of the OHS management system there was ongoing development of OHS policies and procedures which included the Lands Pandemic Plan and an update of the First Aid Policy and procedures.

There has been enhanced OHS committee involvement in consultation on OHS initiatives and policies with the inaugural annual Lands OHS committee conference held in April 2009 in Queens Square which was attended by 11 OHS committee representatives from across all the business divisions.

Overall Lands has overall achieved workplace health and safety and injury management targets outlined in the NSW State Government initiative 'Working Together, Public Sector OHS & Injury Management Strategy 2005-2008'.

There was an increase in incidents of 27% however of the 78 new claims in the reporting period, 23% were journey claims and 15% were recess claims with an annual finalisation rate of 80% and an overall decrease of 49% in claims costs. These figures reflect that although there has been an increase in claims affecting the premium, efficient claims management have reduced the cost of these claims.

Lands received worker's compensation premium hindsight adjustments refunds for two previous claim years indicating the Lands positive claims experience in LPI and the effective management of workplace injuries.

The OHS team continues to work cooperatively with Allianz insurance to identify and develop solutions and practices to enhance early safe and durable return to work and case management for injured employees. Reporting times for injuries has improved with the development of a streamlined injury notification system. The delivery of state-wide information and training sessions facilitated by the OHS section for staff and management on the workers compensation and return to work process in 2008/09 has resulted in enhanced understanding and awareness of managers' responsibilities.

**Worker's compensation claims and costs***

| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|---|---|---|---|---|---|
| Total no. of claims | 61 | 55 | 56 | 70 | 58 |
| No. of claims settled | 23 | 78 | 69 | 65 | 81[1] |
| Net incurred cost | $446,773 | $420,369 | $429,381 | $516,785 | $315,464 |

** Data source: Allianz Australia*
*1. The number of claims settled was higher than total claims as some claims initiated in previous years were settled in this reporting period.*

## 25. Overseas travel

**Travel undertaken at cost to Lands**

| Officer and position | Destination | Purpose | Dates | Cost ($) |
|---|---|---|---|---|
| Pedro Harris, Chief Information Officer | USA | Attend ESRI User Conference and visit various IBM sites | 2 – 16 August 2008 | 17,765.94 |
| Tony Hope, Team Leader Spatial Development System | USA | Attend ESRI User Conference and visit various IBM sites | 2 – 16 August 2008 | 6,274.59 |
| Warwick Watkins, Director General | Europe | Ministerial study tour | 6 – 23 July 2008 | 27,772.13 |
| Gail Swan, Program Development Manager ePlan | USA | Attend ESRI User Conference 2008 | 30 July – 8 August 2008 | 15,115.42 |
| Connie Kamrowski, Senior Analyst Programmer | Germany | Attend Digital Earth Geoinformatics Summit | 10 – 16 November 2008 | 5,111.47 |
| Paul Harcombe, Chief Surveyor | Malaysia | Attend the PCGIAP Annual Meeting and United Nations Seminar on Lands Administration | 18 – 22 August 2008 | 2,203.33 |
| Graham Harding, General Manager CLD,<br>Craig Barnes, Regional Manager North Coast,<br>E Broker & B Baillie | USA | Undertake a USA study tour of the caravan and camping industry | 15 September – 5 October 2008 | 70,990.43 |
| Paul Field, Lands Officer | NZ | Attend ANZSOG Executive Master Public Administration Course | 25 – 29 November 2008 | 3,045.74 |
| Philip Western, Valuer General | South Africa | Attend International Property Taxation Institute Symposium | 25 – 26 March 2009 | 3,519.80 |
| Warwick Watkins, Director General | Israel | Attend 2009 International Federation of Surveyors (FIG) Working Week and Conference | 27 April – 11 May 2009 | 18,633.79 |

## 26. Price determination

**Soil Conservation Service**

SCS reviews all prices annually and recommends revised rates for Department and Ministerial approval with an implementation date of 1 January. Given the ongoing volatility of diesel fuel prices, the fuel levy added to hourly rates was dropped during the year. A new calculation form was introduced for staff separating fuel completely from hourly plant rates. Fuel is now charged as a separate item based on machine size (fuel consumption). Fuel prices are reviewed monthly and a revised calculation form issued. Separating fuel cost gives the SCS the capacity to increase prices on an item beyond its management control at short notice. All rates were increased on 1 January 2009, Consult rose 2.3 to 4.9% and Works rose by 2.8% (excluding fuel). Prices charged to government clients within the Operations area are based on actual costs, overheads plus administration.

## 27. Payment of accounts

Lands payment performance in all quarters of 2008/09 was above target, with a small increase in the number of invoices processed and paid during the year from last year. There were also slight improvements in the percentage of invoices and their dollar value paid on time during the year from last year.

The following measures were undertaken to improve payment of accounts:

- conducted training for most cost centre managers and admin officers on SAP, financial management principles and practices and approving invoices
- reprogrammed SAP reports to include cost centre and internal order information in statistics, which will help to identify and target slow-processing areas
- implemented streamlined accounts payable processes for low value invoices (in May 2009).

In 2008/09, there were no instances where interest was paid in accordance with section 15 of the *Public Finance and Audit Regulation 2005*.

### Schedule of accounts paid on time

**Value of outstanding invoices by age at the end of each quarter**

| Quarter | Current (within due date) | Overdue less than 30 days | Overdue 30 - 60 days | Overdue 60 - 90 days | Overdue more than 90 days |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| September 2008 | 1,239,388 | 301,167 | 44,132 | 6,566 | 400 |
| December 2008 | 424,310 | 253,974 | 2,596 | 3,153 | 0 |
| March 2009 | 2,532,846 | 214,156 | 40,930 | 8,300 | 4,528 |
| June 2009 | 6,014,370 | 24,193 | 5,452 | 297 | 0 |

**Accounts paid on time during each quarter**

| Quarter | Total accounts paid on time | | | | Total amount paid | |
|---|---|---|---|---|---|---|
| | Number | | Value | | $ | $ |
| | Target % | Actual % | Target % | Actual % | Paid on time | Total paid |
| September 2008 | 85% | 91.2 | 90% | 93.6 | 56,368,005 | 60,219,632 |
| December 2008 | 85% | 88.3 | 90% | 94.4 | 77,107,631 | 81,658,521 |
| March 2009 | 85% | 85.6 | 90% | 94.4 | 51,294,525 | 54,313,088 |
| June 2009 | 85% | 85.6 | 90% | 94.9 | 81,495,971 | 85,888,628 |

## 28. Publications

### Corporate

**Brochures**
2008 annual report
Multicultural place names in NSW
NSW Office of Rural Affairs: Supporting government and community working together

**Fact sheets**
Dividing fences law
*Dividing fences and other legislation Amendment Act 2008*
Privacy statement
Conditions of purchase

### LPI

**Brochures**
ePlan
myInvoice
Valuation Services
Property Information
Survey Services
Mapping and Spatial Information

**Fact sheets**
Certificate of title security features effective May 09
Certificate of title security features Jan 04 – May 09
Changes to lodgment services for listed lodging parties
Customer account application instructions
Financial correspondence for lodgment customers
General register of deeds stamping and marking requirements for documents affecting land and property under the *Conveyancing Act 1919* and allied Acts
How to prepare and lodge a primary application
How to prepare dealings and old system instruments for registration
Lodging a plan in person
LPI lodgment terms and conditions
LPI privacy statement
myAccount
Old System conversion or removal of a caution via an official search
Powers of Attorney in New South Wales
Stamping and marking documents affecting land under the *Real Property Act 1900*
Terms and conditions for LPI lodgment services explained
How to Lodge an Application for a Boundary Determination
Guide to Dealing Lodgment
Application for replacement Certificate of Title
What is a statutory declaration?
Application for replacement Certificate of Title
How to lodge a Notice of Death

### Crown Lands

**Brochures**
Caravan and camping marketing collateral
Crown land account payment method
Domestic Waterfront licence standard terms and conditions
Escape close to home brochure
Goolawah SP
How to register for Clean Up Australia
It only takes a small effort to build a community
National surfing reserves
NSW Crown Land perpetual lease purchase application kit
NSW Crown reserves
State Park marketing collateral

**Fact sheets**
A coordinated dredging program
Application to remove subdivisions and separate dealing restrictions
Asset Protection Zones
Authorisation of person under section 153 of the *Crown Lands Act 1989*
Belmont Wetlands CUAD
Closing Crown roads
Converting perpetual leases
Crown land - ready for business
Crown road purchase fee schedule
Domestic waterfront facility rentals
Enclosure permits
Examples of minor ports, rivers entrances and waterway works
Long term residents in caravan parks on Crown land
Management of minor ports, river entrances and waterways in NSW
Purchase of land held under lease under Schedule 7 to Crown Lands
The future of travelling stock reserves
Trust board membership application
Volunteer managing Crown reserves
What is the National Surfing Reserve (NSR) initiative about?

**Posters**
Grabine Music Muster
Marina show

### SCS

**Brochures**
Rock Flume Construction case study
Asbestos remediation works – The Entrance Public School case study
Maritime NSW case study
Wyong Council fire trails case study
Elizabeth Macarthur dam case study
Belmont wetlands case study
Great North Walk map kit

**Fact sheets**
Access tracks
SCS specialists
Environmental impact assessments, planning and management

### OVG

**Brochures**
Your land values
LPI/OVG customer commitment
VG newsletter July 2008
VG folder

## 29. Risk management and insurance

### Lands

**Risk management outcomes**

During 2008/09 Lands has continued its commitment to the implementation and maintenance of a risk management framework across its divisions and corporate groups to manage the positive or negative effects of risks and enhance Lands' potential to achieve its vision, objectives and goals.

Lands' risk management policy and guidelines provide the framework, guidance and tools and set the requirements and responsibilities for all staff to systematically manage risk consistent with the processes contained in the Australian Standard on Risk Management (AS/NZS 4360:2004). The policy and guidelines provide a structured roadmap to support implementation of a risk management culture throughout Lands.

The Director Corporate Governance is responsible for facilitating risk management within Lands and monitoring and reporting on its progress to the Lands audit & risk committee and executive team.

During 2008/09, the Corporate Governance Unit (CGU) has continued to provide risk management awareness training through workshops and an online course that enables staff anywhere in the state to complete the course in their office at a time suitable to themselves. CGU continues to support the implementation of a risk management framework by facilitating a program of risk assessment and risk management planning workshops across Lands divisions, business groups and specific project management teams.

CGU has also conducted a review of the risk management policy, initially drafted in April 2005, to identify and reflect any changes in Lands since that time and to make sure it is still relevant and in line with AS/NZS 4360:2004 and industry best practice. A further review of the policy and guidelines has been scheduled for late 2009 after the expected introduction of the international standard on risk management, ISO 31000 sometime in the first or second quarter of 2009/10.

**Insurance management outcomes**

The Director Corporate Governance is responsible for the management of Lands' insurances and related issues management. Lands through its good risk management practices continues to enjoy a relatively good claims experience and treasury managed fund premiums have been fairly static in renewal cost over recent years.

CGU has provided expertise and assistance to Lands' Finance and Corporate Support units to gain Treasury support for inclusion of all reserve trusts properties or buildings assets in the property insurance cover provided by TMF. Previously trusts had to obtain and pay for their own property insurance. This inclusion will be at a nominal cost to trusts and will provide them with a substantial financial cost saving.

CGU has conducted numerous onsite risk assessments to assist various areas of Lands to address risks that have been resulting in claims or have a high potential do so. The assessments have resulted in implementation of improved controls that have reduced the likelihood of incidents occurring.

### Land and Property Information (LPI)

LPI's risk management framework encompasses the requirements of the Australian Standard AS/NZS 4360. The strategic and business risk registers are monitored and reviewed throughout the year.

The strategic risks are also disclosed annually in LPI's statement of business intent.

LPI's insurable risks for public liability, workers compensation, motor vehicle accident, property and professional indemnity claims are covered by the New South Wales Treasury Managed Fund.

During the year LPI developed a fraud control plan to raise awareness of fraud at work. It aims to help staff and other people who deal with LPI to prevent, detect and report suspected fraud.

### Crown Lands

During 2008/09 the Crown Lands division continued its commitment to the implementation and maintenance of a risk management framework and embedded a risk management function to manage both positive and negative effects of risk that may impact on its vision, objectives and goals.

Risk management policy and guidelines provide a framework for all levels of management to implement risk management processes and maintain sound practices within areas of responsibility.

Risk management is practiced in accordance with Australian Standards on Risk Management AS/NZS 4360:2004.

### Soil Conservation Service (SCS)

The SCS Business Plan 2008-13 provides a risk analysis of the division's major risks including indicator, consequence and management actions, as well as a likelihood and impact assessment. The business plan is reviewed on an annual basis and actions implemented by management to mitigate these risks. The division is working with the Corporate Governance Unit and Corporate People and Performance Group to proactively reduce the risk profile and potential liabilities.

## 30. Sponsorships

| Sponsorship recipient | Sponsored activity | Value |
|---|---|---|
| Awards Australia Pty Ltd | RACA - Community of the Year Award | $45,000 |
| Awards Australia Pty Ltd | RACA - Crown Reserve Trust Award | $44,000 |
| Dcity | Data City Modelling Techniques and Spatial Information | $10,000 |
| Jai Ram Reddy | NSW Surveyor General International Fellowship in Surveying and Spatial Information | $15,000 |
| Local Government Managers Australia (LGMA NSW) | Local Government Managers Australia - Forum | $30,000 |
| Local Government Managers Australia (LGMA NSW) | Local Government Managers Australia - Conference | $16,500 |
| Local Government Managers Australia (LGMA NSW) | Local Government Managers Australia - GM Forum | $11,000 |
| Marina Industries Association of Australia | Marinas Value Study | $10,000 |
| Open Forum (subsidiary of Global Access Partners) | Open Forum website | $12,500 |
| Sculpture by the Sea Pty Ltd | Sculpture by the Sea | $20,000 |
| Shane Brunker | NSW Surveyor General International Fellowship in Surveying and Spatial Information | $15,000 |
| University of NSW | NSW Surveyor General Undergraduate Scholarship in Surveying 2009 | $15,000 |
| Total sponsorships $10,000 and over | 12 | $244,000 |
| Total sponsorships under $10,000 | 28 | $83,464 |
| **Total sponsorships** | **40** | **$327,464** |

| | |
|---|---|
| **ANZLIC** | Australian New Zealand Land Information Council. |
| **Cadastral** | Pertaining to the records of a cadastre, concerned with keeping a cadastre, an official register of property, with details such as boundaries and ownership. |
| **Cadastre** | Boundaries, roads, waterways, parcel identifiers, names, etc. which define the subdivision pattern of a locality on the ground. |
| **Central register of restrictions** | A centralised database containing information on government authorities' proposed interest in parcels of land throughout NSW. |
| **Certificate of title** | The registered proprietor's copy of a folio of the register, being a state government guaranteed Torrens title to land. |
| **Charting map** | Reference maps on which changes affecting land parcels, such as subdivision or easements, are charted by hand. The maps are used by staff and customers to determine current status of land parcels. |
| **CLCP** | Crown Land Conversion Project. |
| **CMA** | Catchment management authority. |
| **Control points** | A system of survey measured points marked on the ground, which are used as fixed references for positioning other surveyed features. |
| **Conveyancing** | The branch of legal practice concerned with the transfer of property rights particularly rights in real property. |
| **CORS** | Continuously Operating Reference System (also known as NSWNet). Provides on ground referencing for global positioning systems. |
| **Crown land** | Any land which has not been alienated by the Crown, including Crown tenures (land leased from the Crown). |
| **Crown Lands** | A Department of Lands division. |
| **CRADM** | Crown Reserve Asset Data Management Project. |
| **CS2i** | Common Spatial Information Initiative. |
| **Dataset** | A group of related data elements. |
| **Database** | A large volume of information stored in a computer and organised in categories to facilitate retrieval. |
| **Dealing** | A document other than a caveat, which is designed to secure recording in the register of some disposition or event, such as a transfer of ownership. |
| **DECC** | Department of Environment and Climate Change. |
| **Deposited plan** | A plan lodged in LPI depicting subdivision of land. |
| **Digital cadastral database** | The legal parcel fabric (current subdivisional pattern) of the state supplied and validated by LPI. |
| **Electronic plan lodgment** | Lodgment of plans in electronic form in which they were originally prepared by a surveyor. |
| **Electronic service delivery** | A connect.nsw strategy to encourage NSW Government agencies to deliver customer-focused services to NSW. |
| **ePlan** | An internet facility that enables surveyors to electronically lodge plans and associated instruments online as TIFF documents. |
| **Folio** | A record of title and interests in respect to a parcel of land. |
| **Gazetteer** | A geographical dictionary. |
| **Geodetic survey** | A high precision survey that covers a large area and consequently must take into account the effect of the earth's curvature. |
| **GNB** | Geographical Names Board. |
| **GNSS** | Global Navigation Satellite Systems. |
| **GPS** | Global positioning system - a system for determining positions using information derived from tracking satellites. |
| **GSDP** | Government services development program. |
| **Information broker** | An agent licensed by LPI to provide remote and value added information services utilising electronic data made available by the office. |
| **ICSM** | Inter-Government Committee on Survey and Mapping - coordinates and promotes the development and maintenance of key national spatial data, including geodetic, topographic, cadastral and geographical names on a national basis. |
| **ISO 9001:2000** | International Organisation for Standardisation guidelines relating to management systems primarily concerned with quality management. |
| **Land parcel** | An area of land with defined boundaries, which forms the fundamental unit of land information, including information about rights and interests. |

| | |
|---|---|
| **Land title** | The evidence of a person's rights to land. |
| **LGA** | Local government area. |
| **LiDAR** | Light Detection and Ranging technology. |
| **LPI** | Land and Property Information – A Department of Lands division. |
| **L-SDI** | Lands spatial data infrastructure program. |
| **MetroNet** | Reference to the extension of SydNet to Sydney suburban areas. |
| **NECS** | National Electronic Conveyancing System. |
| **NSWNet** | Reference to the extension of MetroNet throughout NSW. |
| **OBF** | Office of Biofuels. |
| **ORA** | Office of Rural Affairs. |
| **Old system land** | Land alienated from the Crown under the English Common Law title system in operation in NSW before 1863, and not yet brought under the provisions of the *Real Property Act 1900*. |
| **Orthography** | A method of representing a language with words using correct spelling. |
| **PIIS** | Property Information Inquiry System. |
| **PRMF** | Public Reserve Management Fund. |
| **RFS** | Rural Fire Service. |
| **RTA** | Roads and Traffic Authority. |
| **Rural addressing** | The application of an address to properties in rural and remote areas based on distance and from an easily recognised datum. |
| **Satellite imagery** | A picture of the Earth taken from an Earth-orbital satellite. Images may be produced photographically or by onboard scanners. |
| **SCIMS** | Survey control information management system – survey enquiry and distribution system. |
| **SIX** | Spatial Information eXchange – www.six.nsw.gov.au. |
| **SCS** | Soil Conservation Service – A Department of Lands division. |
| **Spatial data** | Data pertaining to representation of physical and cultural surface features. |
| **Strata plan** | A plan lodged for registration in LPI depicting vertical subdivision of land by buildings such as home units. |
| **SydNet** | Beta phase Continuously Operating Reference Station (CORS) network in Sydney. |
| **Topographical data** | Data pertaining to representation of physical and cultural surface features. |
| **TSR** | Travelling Stock Routes/Reserves. |
| **Torrens system** | A system employed in all Australian jurisdictions under which title to land is conferred by the official registration of a dealing in that land. Named after its creator, Robert Torrens, who introduced it in South Australia in 1858. |

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ISSN: 1443-2234 (print)
ISSN: 1833-8801 (online)

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Cost of production: $8,457.00

Limited numbers of printed copies may be obtained by phoning (02) 9236 7763. This annual report is also available from www.lands.nsw.gov.au. This report's pages are printed on Navajo.

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