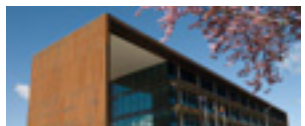




Land and Property
Management Authority



ANNUAL REPORT 2010



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Annual Report Overview

About this Report

The Land and Property Management Authority's (LPMA) annual report outlines our performance during the 2009/10 financial year for the LPMA reporting entity. This represents the first year of LPMA operations and our method of reporting is in development and is expected to be finetuned in coming years. The report outlines performance outcomes for the LPMA reporting entity which is made up of: Land and Property Information Division (LPI), Crown Lands Division (CLD) and Soil Conservation Service Division (SCS), and those groups for which LPMA provides administrative support: the Office of the Valuer General (OVG), Office of Biofuels (OBF) and Geographical Names Board (GNB).

Whilst being administratively and operationally part of the LPMA cluster; the State Property Authority (SPA), Sydney Harbour Foreshore Authority (SHFA) including Cooks Cove Development Corporation (CCDC), Hunter Development Corporation (HDC), Festival Development Corporation (FDC), Corporation Sole 'Minister Administering the *Environmental Planning and Assessment Act 1979*' (CSEPA) managed by the Office of Strategic Lands (OSL), Lake Illawarra Authority (LIA), Chipping Norton Lake Authority (CNLA) and Board of Surveying and Spatial Information (BOSSI) have specific statutory requirements and complete separate annual reports.

The narrative of the LPMA annual report presents details of the operating achievements or outcomes of the LPMA reporting entity. Given that the LPMA comprises both a reporting entity as well as a clustered administration entity, the narrative also provides summarised information as to the achievements and outcomes of the wider LPMA group. It should be noted that detailed information relating to the separate reporting entities can be found in their respective annual reports. Where information in the LPMA annual report extends to entities beyond the LPMA reporting entity, appropriate disclosures are made.

Letter to the Minister

The Hon. Tony Kelly MLC

Minister for Planning

Minister for Infrastructure

Minister for Lands

Deputy Leader of the Government in the Legislative Council

Leader of the House in the Legislative Council

Level 34

Governor Macquarie Tower

1 Farrer Place

SYDNEY NSW 2000

Dear Minister

I am pleased to submit the Land and Property Management Authority's annual report for the year ending 30 June 2010 for your information and presentation to Parliament. This report has been prepared in accordance with the *Annual Reports (Departments) Act 1985* and the *Public Finance Audit Act 1983*.

Yours sincerely,



Warwick Watkins AM

Chief Executive

Surveyor General

Registrar General

Soil Conservation Commissioner

Our Mission, Vision and Values

Our mission

As custodian for land and property information and services, spatial information and land and property assets across New South Wales, LPMA serves current and future generations through innovative management, sustainable land allocation, use and development, 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 and development 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.

2009/10 Highlights

Continued progress in expanding online property services, including the **electronic Notice of Sale (eNOS)** system enables customers to prepare and lodge Notices of Sale online; and increased information access to the **Spatial Information eXchange (SIX)**, **ePlan** and the Registrar Generals Directions. Read more at the LPI report (page 45).

Completed a draft master plan for the renewal of Gosford City Centre, including a project to redevelop Gosford Waterfront, branded as the '**The Landing at Gosford**'. Read more at the CLD report (page 67).

The Crown Reserve Reporting System (CRRS) was designed and developed to assist reserve trusts in meeting their reporting requirements under the *Crown Lands Act 1989* and reduce processing work in regional offices. CRRS has been successfully employed by more than 1,000 (90%) of community based reserve trusts. Read more at the CLD report (page 67).

The Crown Cemeteries Advisory Committee (CCAC) established to provide advice, consultation and reports to the Minister on any matter affecting the development of policy regarding the strategic management of all public cemeteries and crematoria in NSW. The CCAC is developing long-term burial strategies such as renewable and limited tenure. Read more at the CLD report (page 67).

Road and perpetual lease disposal processes have been re-engineered and extra staff resources have been placed into teams to achieve improved outcomes. **Under the Perpetual Lease Conversion Project 432,868 hectares of land has been converted from Crown land to freehold** including the protection of environmental values through covenants. Read more at the CLD report (page 67).

Following public consultation, a draft **NSW Soil Policy** was completed. Read more at the SCS report (page 73).

Under the biofuels strategy, **approximately 30% of all NSW petrol is now E10**. Three billion litres of E10 has been used in NSW since the program's inception. Read more at the OBF report (page 80).

The **Geographical Names Board gazetted 107 changes** to suburb and locality names and boundaries and oversaw more than **1,500 proposals to name or rename public roads** in NSW. Read more at the GNB report (page 60).

In relation to the other entities which are part of the LPMA cluster:

- Acquisition of land to **provide for the rail and construction corridor for the South West and North West Rail Links** and transfer of land into the estate of the Western Sydney Parklands Trust. Read more at the OSL report (page 83).
- Acquisition of **land for regional open space**, for environmental conservation land and for future transfer into the estate of the Western Sydney Parklands Trust. Read more at the OSL report (page 83).
- Commencement of the **master planning of the Darling Harbour South and Circular Quay Precincts** including development of proposals for the renewal and revitalisation of the entertainment and convention facilities. Read more at the SHFA report (page 83).

Financial Snapshot

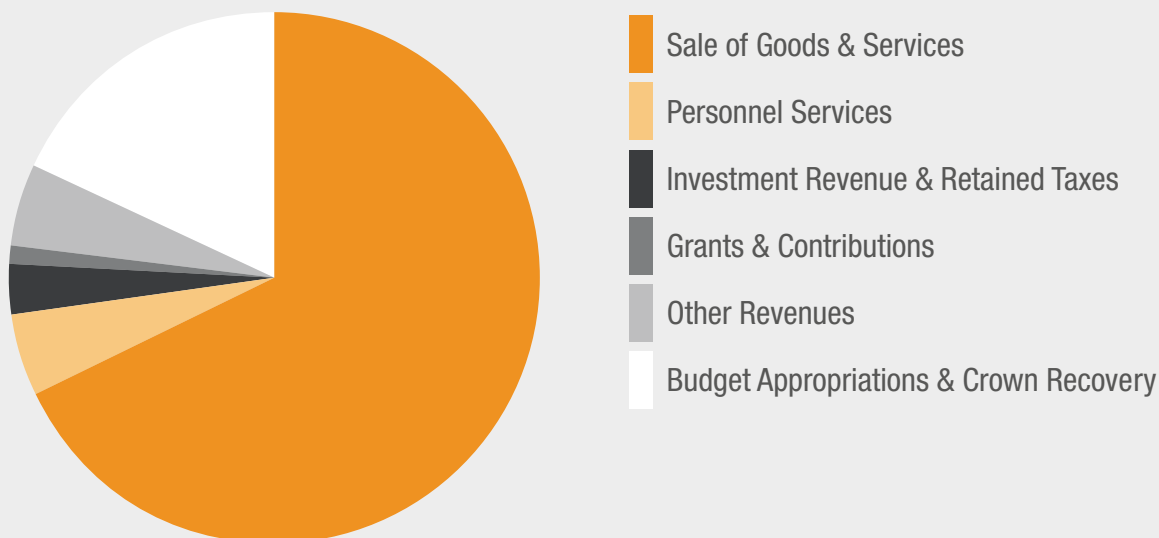
This is the first year for the newly formed LPMA financial reporting entity. As such, there are no comparative year's figures presented. The LPMA reporting entity was formed from the former reporting entities of Department of Lands, Crown Leaseholds Entity, Land Development Working Account and Crown Lands Homesites Program. In addition, a number of staff have been transferred to LPMA from the State Property Authority, Sydney Harbour Foreshore Authority, Hunter Development Corporation, Office of Strategic Lands, Office of Biofuels, and the Lake Illawarra Authority.

This overview provides a snapshot of high level financial results for 2009/10, including details on revenue sources and major expenditure categories, for the LPMA reporting entity.

Revenue

LPMA generates the majority of its revenue from business operations, with only 18% of total funding being provided through the State Government budget. *Graph 1 | LPMA Sources of Revenue* shows the break up of sources of revenue for LPMA. The major items contained within the sale of goods and services category are Crown leases and licenses, Crown land sales, titling, valuation and SCS services.

GRAPH 1 | LPMA Sources of Revenue



Expenses

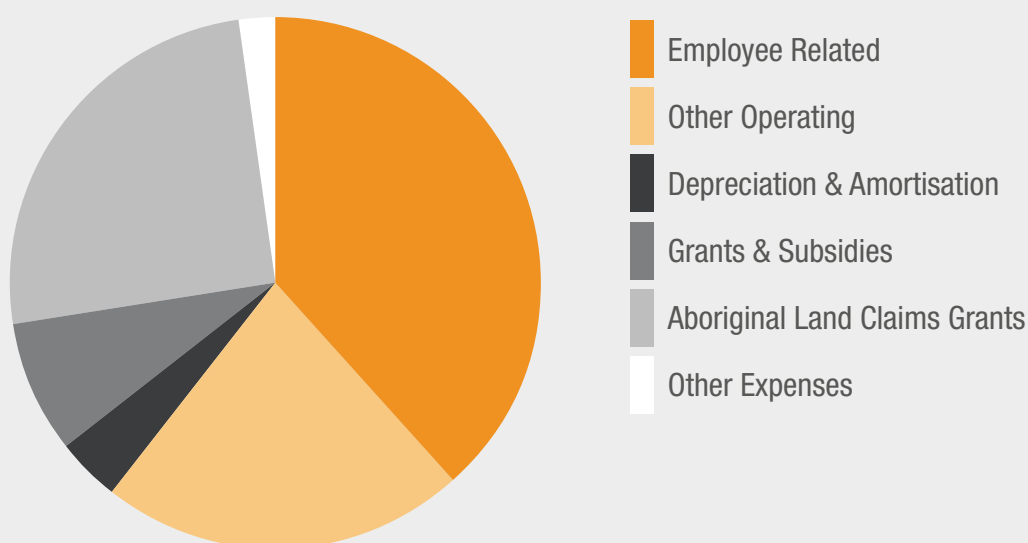
Graph 2 | LPMA Expenses shows the break up of expenses across LPMA. \$172 million (38%) in expenses relate to employee costs. This includes \$23 million for the provision of staff to other agencies within the LPMA group, which is recovered from those other entities.

As LPMA is the employing division under the *Public Sector Employment and Management Act 2002*, all staff costs and provisions for entitlements are reported against LPMA. These costs are recovered from the other agencies and reported as personnel services revenue by LPMA.

For the year LPMA personnel services revenue from SPA, SHFA, HDC, CSEPA, FDC, BOSSI and LIA totalled \$23 million. The financial statements of LPMA do not contain the financial details and performance of these other statutory bodies, as they are required to report separately.

The next highest expense is for the book value of Crown land granted to Aboriginal Land Councils.

GRAPH 2 | LPMA Expenses



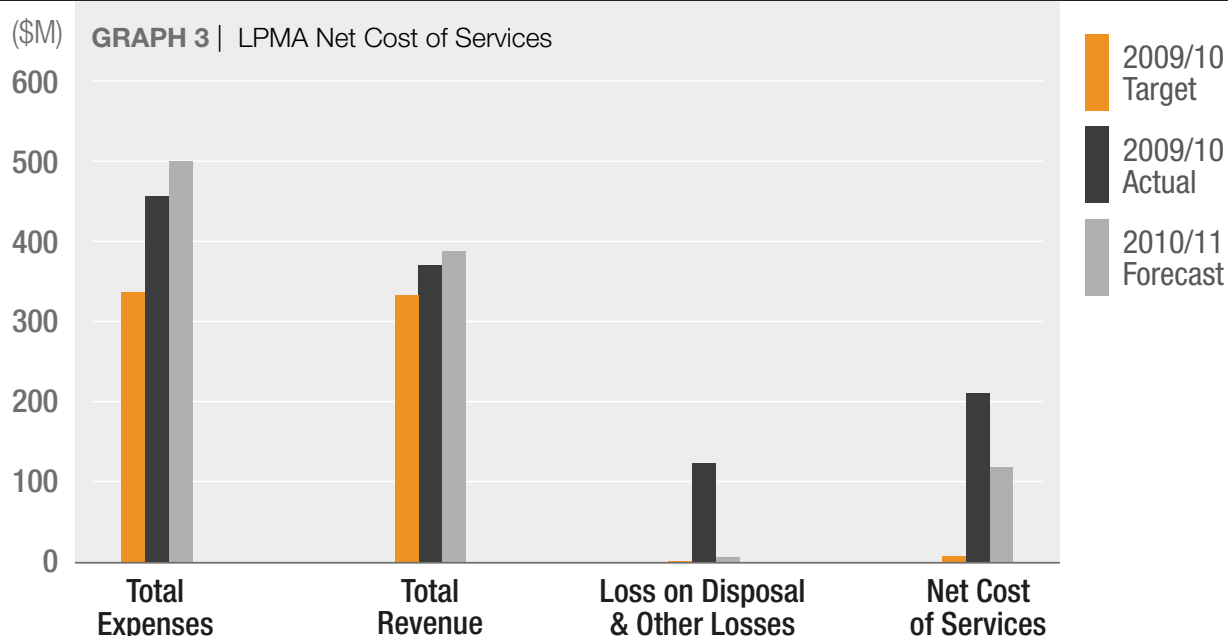
Net cost of services

The LPMA delivered a net cost of services to government of \$210 million (before recognition of government contributions and other comprehensive income). After the return of \$83 million in payments back to the government, the disclosed deficit for the year is \$212 million.

This was \$194 million in excess of the budget for 2009/10 and there are two significant expenses contained within this result that contribute to this deficit position and were not adequately provided for in the budget position. These are non-cash expenses that relate to Crown land activities, including:

- expense loss on land granted to Aboriginal Land Councils – \$116 million
- book value losses on transfer of land to Crown reserve trusts, local government and other agencies, including additions to the National Parks system – \$93 million.

These expenses will continue to be incurred by LPMA, as they represent, in financial terms, the government activity carried out in managing Crown land for the benefit of the people of New South Wales. \$85 million has been forecast in the 2010/11 budget for these items.



Chief Executive's Report



Our success is measured through meeting our customer and community needs, achieving sound financial management, continuous performance improvement and building a knowledge-based organisation.

The Land and Property Management Authority was established on 1 July 2009 as a result of the NSW Government restructure.

LPMA brings together the former Department of Lands and a broad range of specialist land management and development agencies. With a total operating revenue of \$370m in the 2009/10 financial year, and around 60 per cent of staff employed in regional NSW, LPMA supports local economies by providing public value integrated land and property products and services.

Our success is measured through meeting our customer and community needs, achieving sound financial management, continuous performance improvement and building a knowledge-based organisation.

Our first year has achieved a new administrative structure that cohesively reports to two Ministers. The emphasis has been on focused business outcomes and renewal within the individual businesses, improved customer service delivery and enhanced management and reporting accountability. This has been achieved through central management facilitation and management coordination and directions from the Office of the Chief Executive and through targeted matrix management program and project integration, on a needs basis across LPMA. This pragmatic, client and results orientated approach deviated from the traditional corporate planning and hierarchical organisational management approaches, however it was necessary as part of the cycle of development for LPMA.

The business units within LPMA excel at what they do and as the organisation moves forward, synergies will be increasingly created through the three core focus areas and how they interact.

These focus areas are Land and Property Information, Land and Property Management and Conservation, and Land and Property Development.

Over time, they will increasingly contribute an improved return to the NSW taxpayer from the management of the state's land information and property assets.

Land and Property Information

LPMA 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.

LPMA is building this infrastructure for current and future generations through innovative and professional management and by working in partnership with other arms of government, our business clients and the community.

The merging of a number of property management agencies into LPMA is collating informational capital into a powerful state asset and producing efficiencies across government and on a national scale.

LPMA has a lead role with Victoria and Queensland in establishing a National Electronic Conveyancing System (NECS) to provide a single electronic means of registering changes in ownership and interests, settling financial transactions and receiving confirmation of dealing lodgment and registration.

We have 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. Called ePlan, it will deliver significant benefits to the property industry by enhancing the quality of plan data, reducing requisitions and improving plan processing and turnaround times.

This year LPMA introduced a new electronic Notice of Sale (eNOS) system enabling customers to prepare and lodge Notices of Sale (NOS) online. Other online service delivery improvements have expanded online customer self-service and increased information access through the SIX portal and the Registrar General's Directions.

More than 450,000 Crown survey plans dating back to the early 1800s have been made available online as high quality colour images. The original plans have been transferred to the State Records Authority for permanent archival storage.

The Land Value Verification Project has reviewed 80% of land values in NSW, enhancing valuation outcomes and improving the structural basis of valuations. Reduced objection numbers and overall improvement in the quality of land values are indicators of the success of the project.

Land and Property Management and Conservation

LPMA is improving the value of publicly-owned land through a managed program of maintaining, conserving and, where necessary, restoring the land under our care.

Our unique Crown reserve management system is a partnership with local government and community volunteers that cares for our public parks and reserves while allowing 15 million people to enjoy their facilities over the past year.

The Crown Reserve Reporting System (CRRS) was developed to assist reserve trusts in meeting their reporting requirements under the *Crown Lands Act 1989* and to reduce processing work in regional offices. CRRS is the online reporting system for the capture of information about the care, control and management of Crown reserves. More than 90 per cent of reserve trusts have utilised CRRS in the past year.

The Crown Cemeteries Advisory Committee (CCAC) was established to provide advice, consultation and reports to the Minister on any matter affecting the development of policy on the strategic management of public cemeteries and crematoria in NSW. The CCAC will formulate a long-term approach by undertaking community consultation on options such as renewable and limited tenure.

LPMA has completed the NSW Soils Framework 'Looking Forward Acting Now' and has sought feedback from other public agencies, which will be followed by the consideration of the Natural Resources CEO Cluster Group and then Cabinet.

We are collaborating with the Department of Planning to develop a spatial view of planning data, including local, regional and state environmental planning instruments and the introduction of eplanning initiatives with local government, which will involve the use of our infrastructure and data.

Our mapping and imagery data is being used for environmental analysis, as well as identification and projections of the impact of climate change. Our technology is increasingly being used by other state and local government agencies for resource management.

In relation to the Office of Strategic Lands, during the year LPMA acquired land for regional open space, for environmental conservation and for future transfer into the estate of the Western Sydney Parklands Trust.

Land and Property Development

LPMA has a key role in developing government land for the benefit of the community as a whole, facilitating growth and investment across the state.

In some instances this is achieved through disposal of government owned assets and in others by entering strategic partnerships with other agencies or the private sector.

We are 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 need is identified and our contribution can add to the common good.

The Gosford Challenge reached a significant milestone with the completion of a draft master plan for the renewal of Gosford City Centre. The project encompasses redevelopment of the Gosford Waterfront through a request for proposals for The Landing at Gosford.

At Newcastle, LPMA purchased the old post office, an iconic heritage building which will become an important asset in revitalising the city centre. It is envisaged that the building will cater for uses that meet the changing regional and urban development requirements of the City of Newcastle.

The North Tuncurry Land Development Project is a joint initiative with Landcom to provide 2,200 residential lots and employment lands for future growth opportunities in the Great Lakes Shire.

In relation to the Office of Strategic Lands, this year OSL continued to purchase land for the rail and construction corridor of the South West and North West Rail Links and transferred some 66 hectares into Western Sydney Parklands Trust ownership and management.

Financial performance

The whole of the LPMA group including entities which are not reported through the LPMA financial statements, manage assets with a value of over \$10 billion. Each of the LPMA businesses has a strong commercial focus, with the majority being self-funded.

The LPMA reporting entity delivered a strong financial performance for 2009/10. Revenues were better than anticipated in a number of areas and we returned \$83 million back to government from the commercial activities of LPI, CLE and LDWA. Since government contributions were \$81 million, LPMA will return more cash to government than it received for the year.

The LPMA continued to deliver on the targets set in the November 2008 mini budget for the former Department of Lands, achieving the revenue targets for road closures and perpetual lease conversions.

Revenues, net government contributions and other comprehensive income for 2009/10 for the LPMA totalled \$442 million. Expenses and losses totalled \$580 million, providing a net deficit position for the year of \$138 million.

Contained within this result are a number of non-cash expenses that relate to Crown land activities, including:

- expense loss on land granted to Aboriginal Land Councils – \$116 million
- book value losses on transfer of land to Crown reserve trusts, local government and other agencies – \$93 million
- waivers for Crown land tenures – \$17 million.

These expenses will continue to be incurred by LPMA, as they represent, in financial terms, the government activity carried out in managing Crown land for the benefit of the people of New South Wales.

Ignoring these specific expenses would improve LPMA's financial position for the year by \$226 million. This provides a more realistic picture on the operational performance of the organisation.

With the formation of LPMA, we now have an alignment of the operational and financial responsibility for Crown land. With this comes the responsibility to progress a number of outstanding audit issues raised by the Auditor General, including the appropriate valuation of Crown reserves. This was previously a matter for the Crown Entity and is one factor leading to the qualification of the Total State Sector Accounts for NSW. The modified audit opinion also applies to the LPMA financial statements. For the financial year under review, the Auditor General has extended his modified opinion to also include the value of buildings and infrastructure on Crown reserves and the value of various coastal infrastructure items. The LPMA will continue its work to resolve these matters.

Following the emphasis on individual business performance for this reporting year, the next reporting period will see a strong emphasis on LPMA corporate and business planning, and the increasing operational and business agencies.

For further information see Our Funding (page 23), Financial Snapshot (page 5) or the Financial Statements (page 85).

A handwritten signature in black ink, reading "Warwick Watkins".

Warwick Watkins AM

Chief Executive

Surveyor General

Registrar General

Soil Conservation Commissioner

Surveyor General's Report

LPMA has a proud history, through its predecessor the Department of Lands, in supporting the surveying industry in this state by collecting and maintaining official survey data.

Our stature in the profession was recognised when NSW hosted thousands of surveying and land professionals from across the globe in April 2010 for the International Federation of Surveyors Congress, known as FIG Sydney 2010.

It was the largest surveying congress ever held in Australia and the Pacific region with around 2,000 delegates representing around 100 countries, from Afghanistan to Zambia.

The event, which only occurs once every four years, is estimated to have contributed over \$13 million to the local economy.

The Common Spatial Information Initiative (CS2i) has continued to progress work in support of the NSW Spatial Council including establishing governance arrangements to enable customers to access spatial and related information online via NSW Government shared spatial services.

The CS2i Program Office held the 2009 NSW Spatial Summit as part of its communications and engagement strategy. The two-day summit attracted in excess of 230 participants representing federal, state and local government agencies.

This event provided a forum for delegates to learn about the status of 'whole of government' spatial projects, initiatives and SDI development. It was also an opportunity to review, learn, discuss and contribute towards the way spatial information holds an increasingly important role in the future of NSW.

Delivery of strategic projects, including the NSW spatial information metadata framework release and the development of a NSW Government Spatial Information Metadata Policy supporting the legal and political directives that affect data management in NSW, will form the cornerstone of future NSW spatial information policy development and implementation during the next year of operation for the program office.

Other achievements included making digital copies of 450,000 Crown survey plans dating back to the early 1800s available online as high quality colour images. The original plans have been transferred to the State Records Authority for permanent archival storage.

LPMA continued the roll out of the Continuously Operating Reference Station Network (CORS) in the state's north coast and central west. The overall implementation of CORSnet is 50 per cent complete.

These permanent tracking sites provide satellite navigation accuracy for positioning and guidance to two centimetres accuracy.

The LiDAR program to capture hi-resolution elevation data along the NSW coastline commenced in September 2009. To date, 5,000 square kilometres of the north coast has been captured.



Warwick Watkins AM

Chief Executive

Surveyor General

Registrar General

Soil Conservation Commissioner

Registrar General's Report

A land titling system that is efficient, reliable and guaranteed is essential for a strong state economy and a stronger NSW. The Office of Registrar General and LPMA have continued to deliver key services, improvements and safeguards specifically designed to protect everyone's land title.

LPMA hosted the 36th Registrars of Titles Conference with over 20 delegates from overseas and interstate attending over four days.

The authority is ever vigilant to the possibility of title fraud and continued to strengthen safeguards as well as hold its second Land Title Fraud Forum which was attended by organisations sharing a mutual interest in mitigating property fraud.

There were developments in the NECS initiative to deliver a national econveyancing system to Australia.

Two important concurrent streams of project activity were progressed, being firstly support for the national work program by developing NSW requirements to the NECS, the legal framework and data standard specifications.

The second major activity was the NSW Readiness Program to specify changes to legislation, business practices and systems required from the NSW Land Registry to enable and regulate electronic conveyancing as a result of NECS.

Substantial consultation with our interstate partners and industry is continuing to ensure NECS meets its targets and objectives.

There were further investments in improving land information systems and enhancing electronic service delivery capabilities through ongoing projects including the electronic plan (ePlan) lodgment project, development of echannel services and the relaunch of a web-based practice manual, The Registrar General's (RG) Directions.

All online services for ePlan customers are now delivered through the ePlan portal within LPMA's SIX portal.

ePlan lodgments now represent up to 50 per cent of total plan lodgments. A project is currently under way to introduce more new services within the ePlan portal, such as the ability for surveyors to self-validate their plans online prior to lodgment.



Warwick Watkins AM

Chief Executive

Surveyor General

Registrar General

Soil Conservation Commissioner

Soil Conservation Commissioner's Report

LPMA continues to work with NSW natural resource agencies to lead and co-ordinate the development of the NSW Soils Policy, and resultant actions and strategies.

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 were identified and proposed.

The NSW Soils Policy considers the strategic needs of soil management under the objective area of:

- community awareness, understanding and commitment
- comprehensive, current and accessible soil knowledge base
- capability to better manage NSW soils
- institutional arrangements that favour sustainable soil management
- innovation in land use planning, soil management and institutions.

The draft strategy has been submitted for review by respective agencies and authorities of the working group, which will be followed by the consideration of the Natural Resources CEO Cluster Group, thence a Cabinet decision.

In line with the Soil Conservation Service Business Plan, SCS successfully completed numerous environmental projects. Projects were undertaken for State Water, electricity infrastructure providers, councils, LPMA, Department of Education and Training and the Department of Environment, Climate Change and Water.

SCS's future direction will be to continue completing such projects in line with its business plan objectives. SCS will continue to develop its environmental consultancy and project management capability through the further development of its current expertise, the recruitment of specialised staff and using its modern capital equipment.

The recent drought relieving rains experienced in parts of NSW will also provide SCS the opportunity to meet new demand for its water and soil conservation expertise. This activity will be supported by its recent acquisitions in the latest earthmoving equipment.



Warwick Watkins AM

Chief Executive

Surveyor General

Registrar General

Soil Conservation Commissioner

About LPMA

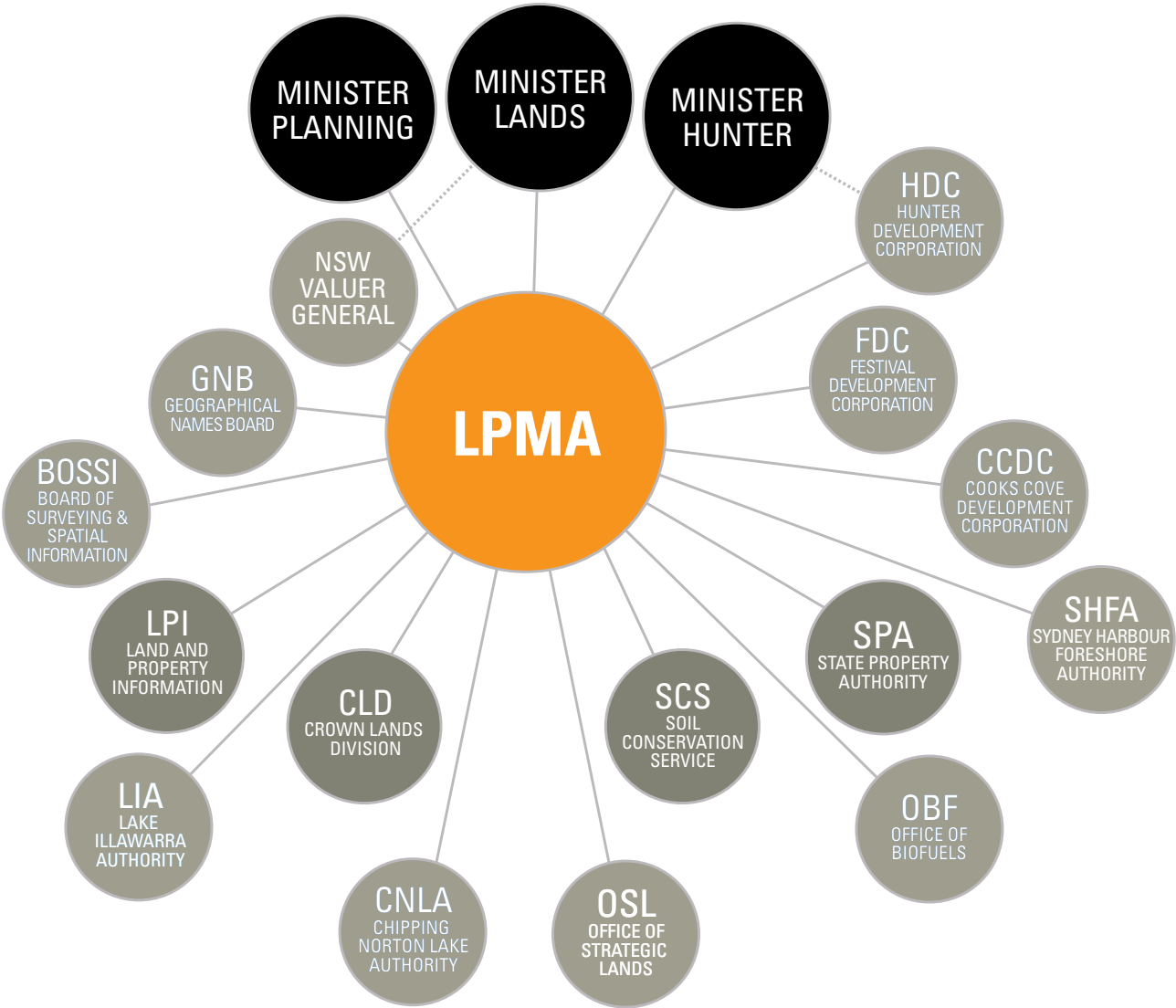


FIGURE 1 | Organisational Business Structure

Who We Are and What We Do

The Land and Property Management Authority (LPMA) provides NSW with integrated land and property products and services across **business divisions** including:

- Land and Property Information Division (LPI) (page 17)
- Crown Lands Division (CLD) (page 18)
- Soil Conservation Service Division (SCS) (page 18)
- Office of Biofuels (OBF) (page 19).

As well as independent **business groups** including:

- State Property Authority (SPA) (page 19).
- Sydney Harbour Foreshore Authority (SHFA) (page 19)
- Hunter Development Corporation (HDC) (page 20)
- Cooks Cove Development Corporation (CCDC) (page 20)
- Festival Development Corporation (FDC) (page 20)
- Office of Strategic Lands (OSL) (page 20)
- Lake Illawarra Authority (LIA) (page 21)
- Chipping Norton Lake Authority (CNLA) (page 21).

And **boards** including:

- Geographical Names Board (GNB) (page 19)
- Board of Surveying and Spatial Information (BOSSI) (page 21).

Formed in July 2009, LPMA is a separate government entity within the Planning super department cluster and provides services in three core business areas.

- Land and Property Information.
- Land and Property Management and Conservation.
- Land and Property Development.

LPMA's contribution to public value is in the coordination and integration of a number of NSW land and property management businesses across these three core business areas.

Land and Property Information Division (LPI)*

- LPI is a government business enterprise providing land title registration, property information, valuation, surveying and mapping services to the people of NSW.
- The NSW land title system currently protects an estimated \$1.2 trillion in real estate and \$280 billion in property interests.
- Each day around 3,000 property transactions worth approximately \$400 million are registered by LPI in the Torrens title system, a total of around 800,000 per year.
- Registration confers a guarantee by the State Government providing certainty and security of ownership.
- Around 3.7 million land titles are recorded in the Integrated Titling System.
- 4.169 million requests for land title information were satisfied in 2009/10.
- 4.1 million of these were online requests via approved information brokers, or LPI's online shop accessible through www.six.nsw.gov.au.
- Almost 35,000 new titles were created in 2009/10.
- Approximately 2.4 million properties are valued each year.
- 35 Continuously Operating Reference Stations (CORS) have been rolled out across NSW as part of a \$7.25 million Survey Infrastructure Improvement Project.
- More than 240,000 sq. kilometres of aerial photography was captured in 2009/10.
- 1.2 million property addresses were updated or added to the geocoded urban and rural addressing system in 2009/10.
- 1.45 million roads, buildings and dams were updated or added to the Topographic Database in 2009/10.
- Over 130,000 Old system, Crown and manual land titles have been converted to Torrens title in last five years and are now available online.
- LPI continues to digitise its land and property records and 60,000 images of NSW land title records are being captured per day.
- Improved access to historical titling records, for instance, over 450,000 colour Crown plans are now available online.

*Source: LPMA Fast Facts Brochure

Crown Lands Division (CLD)*

- Managing Crown land to deliver better outcomes and uses of Crown land for the people of NSW.
- Guided by legislation to deliver multiple value (social, environmental and economic) and public enjoyment of Crown land.
- 370 staff across 20 regional, rural and metropolitan locations.
- The lead state agency for the redevelopment of Gosford, Port Macquarie and Wagga Wagga CBDs.
- Manages all indigenous claims under state and Commonwealth legislation on behalf of the State Government.
- Manages approximately 43.7 million hectares of Crown land, almost half of NSW, including:
 - 35,000 reserves across NSW
 - 17 state parks
 - eight major recreational tracks and trails
 - 65,000 leases and licences for Crown land use, urban and rural, covering over 33.5 million hectares
 - 270 caravan parks
 - 6,500 travelling stock reserves
 - seven national surfing reserves
 - all land three nautical miles out to sea
 - most beaches, estuaries and waterways
 - cemeteries
 - showgrounds
 - country and community halls
 - heritage assets, including lighthouses, convict-built ports, public buildings and historic mine sites
 - a significant number of recreational lands including sporting fields and support services in all local government areas across NSW
 - environmentally sensitive lands
 - nearly 700 community trust boards
 - 25 regional ports, 21 river entrances and the Tweed River Entrance Sand Bypassing Project
 - NSW Western Division.

Soil Conservation Service Division (SCS)*

- Provides commercial environmental consultancy services specialising in land rehabilitation, environmental audit, advice and project management.
- Operates NATA accredited soil testing laboratory and provides erosion and sediment control industry training.
- Provides conservation earthmoving plant service to rural NSW and government agencies, special expertise in access track/fire trail construction and maintenance.
- Operates an externally accredited integrated management system (Quality, OHS and Environment) to provide innovative and cost effective client solutions.
- 140 employees operating from 35 centres.

*Source: LPMA Fast Facts Brochure

Office of Biofuels (OBF)*

- OBF implements the NSW Government's biofuels program and supports the development of a biofuels strategy.
- In 2009/10, 1.44 billion litres of E10 was sold in NSW. E10 now makes up more than 30% of all petrol sold.
- The biodiesel mandate commenced on 1 January 2010. In the six months to 30 June 2010, 19.5 million litres of biodiesel was sold under the mandate. Biodiesel now makes up 1% of all diesel sold in NSW.

Geographical Names Board (GNB)*

- GNB is the official body for naming and recording details of places in NSW.
- The board gazetted 107 locality name changes and oversaw more than 1,500 road name proposals in 2009/10.
- The board has a continuing policy of recognising Aboriginal and multicultural communities.

State Property Authority (SPA)* (Refer to separate Annual Report)

- SPA's role is to improve efficiencies in the use of generic government properties.
- Controls 1.3 million square metres of owned and leased office space.
- Owns 152 buildings.
- Manages 263,000 square metres of non-office space.
- Services property needs of 84 client agencies.
- Manages 998 tenancies.
- Has vested 697 assets from 29 agencies.
- Asset value approx \$1.17 billion.
- Dividend/repatriation to government of \$97.7 million (2009/10).
- Savings and economic benefits of more than \$186.7 million (2009/10).
- 87.6 full time equivalent employees.

Sydney Harbour Foreshore Authority (SHFA)* (Refer to separate Annual Report)

- Sydney Harbour Foreshore Authority is responsible for Sydney's most historically and culturally significant waterfront locations, including The Rocks and Darling Harbour.
- The authority oversees more than \$1.1 billion in State Government assets, including 140 heritage items.
- The authority manages commercial and retail leases, provides security, cleaning, building maintenance and other facility management services, operates marketing and visitor services, produces public events and cares for the public domain.
- Between them, The Rocks and Darling Harbour attract around 40 million visitors annually.
- In 2009/10, the authority:
 - completed the final year of a five-year revitalisation plan for The Rocks and Darling Harbour investing a total of more than \$125 million since 2005
 - generated around \$140 million in revenue from a mix of retail, commercial and other properties
 - invested \$20 million in community and cultural services
 - produced events in The Rocks and Darling Harbour attended by 1.84 million people and achieved a Guinness World Record for the largest coffee sculpture
 - successfully hosted more than 90 events at Sydney Entertainment Centre
 - completed the first stage of community consultation for the Bays Precinct
 - received 12 industry awards for sustainability, urban renewal, heritage conservation and marketing.

Hunter Development Corporation (HDC)* (Refer to separate Annual Report)

- Manages more than 1,600 hectares of land and its growth area covers the eleven local government areas in the Hunter region.
- Has more than \$70 million in land assets.
- HDC has completed stage one of a two-stage \$110 million remediation of the former BHP steelworks at Mayfield.
- Plays a central role in coordinating the revitalisation of the Newcastle city centre.

Cooks Cove Development Corporation (CCDC)* (Refer to separate Annual Report)

- CCDC was established under the *Growth Centres (Development Corporations) Act 1974* in 2001 to oversee the redevelopment of the 100-hectare Cooks Cove site in Arncliffe.
- CCDC is responsible for working with government, private and community stakeholders to deliver a 21-hectare trade and technology centre and 80 hectares of open space, including a remodelled foreshore, parks and cycleways.
- The project will include the relocation of Kogarah Golf Club and has already delivered new and upgraded sporting fields and facilities.
- CCDC is managed by Sydney Harbour Foreshore Authority.

Festival Development Corporation (FDC)* (Refer to separate Annual Report)

- FDC's mission is to foster ecologically sustainable development at Mt Penang Parklands; 152 hectares of Crown land near Gosford.
- The master plan has delivered an event park, a sports park for cricket and other codes, permanent gardens and a commercial business area.
- Further development is planned to enhance the site as a regional hub for employment, recreation and relaxation.

Office of Strategic Lands (OSL)* (Refer to separate Annual Report)

- OSL undertakes the acquisition, management and divestiture of land for the Planning Minister's Corporation Sole.
- The Sydney Regional Development Fund aims to be a self-sustaining fund providing benefits to state and all local governments in the Greater Sydney region.
- The fund balances significant acquisition costs and future liabilities with the divestment of land in a competitive environment on the open market. It also transfers acquired land to other state government agencies and local government councils for planning purposes such as road and open space. Local councils financially contribute to sustaining the fund's viability.
- These funds are used primarily for the purchase of land, especially regional open space identified in planning instruments.
- OSL plays a pivotal role in the acquisition of land for core infrastructure purposes such as the North and South West rail links.
- Land is also acquired and contributes to the development of key growth areas, such as the Rouse Hill Regional Centre.

*Source: LPMA Fast Facts Brochure

Lake Illawarra Authority (LIA)* (Refer to separate Annual Report)

- LIA's aim is to restore the ecological environment of Lake Illawarra.
- The lake's degradation is primarily due to the population explosion in the lake's catchment areas since World War II.
- The authority's board is made up of ten members; five appointed by various government agencies and five from the community.

Chipping Norton Lake Authority (CNLA)* (Refer to separate Annual Report)

- CNLA has been effective in restoring reaches of the Georges River that were degraded by sand extraction in the 1950s and 1960s.
- The authority's efforts have created a vast water based habitat and recreation area.

Board of Surveying and Spatial Information (BOSSI)* (Refer to separate Annual Report)

- BOSSI is responsible for the registration of land and mining surveyors, and advises the NSW Government on spatial information.
- The board oversees the training and accreditation of surveyors to ensure professional practice standards.
- Innovative programs, such as the Common Spatial Information Initiative, will provide for future online spatial information.

*Source: LPMA Fast Facts Brochure

Our Customers, Community, Environment and People

Our customers

LPMA's professional stakeholders include the property and conveyancing industry, land use planning and development sector, farmers and government agencies at federal, state and local level. LPMA values its thousands of individual customers, including home owners, licence and lease holders, and those who enjoy the recreational services of our Crown reserves.

Our community

LPMA is dedicated to supporting business, government services, regional development and local communities. We have strong ties with rural and regional NSW and we are committed to sustainable growth and development of local communities.

Our integrated land and property services protect investment in homes and commercial development, provide land for economic development and manage business properties that house workers and support the economy.

LPMA demonstrates its commitment to communities through sponsorship of the Regional Achievement and Community Awards, the Caravan and Camping Industry Association NSW Awards and awards that support excellence in surveying, the property industry and local tourism.

Our community sponsorships include the Regional Community Achievement Awards, Sculpture by the Sea to promote NSW Crown Reserves and the Don't DIS My ABILITY campaign. As part of our commitment to take services to regional audiences we attend three field days at Mudgee, Orange and Gunnedah.

Our environment

LPMA 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.

Our people

LPMA incorporates a range of professions, such as surveyors, spatial technicians, land valuers, engineers, environmental officers, lawyers and property management specialists. Our highly skilled workforce provides land and property management services from across a network of metropolitan and regional offices.

LPMA values its people and is committed to a dynamic culture through sharing, building and retaining corporate knowledge, working smarter and embracing professionalism, innovation and teamwork.

We offer training, professional development and support for higher education to attract skilled professionals and young people coming in to the workforce.

Our Funding

LPMA's cost of operations is funded from a mix of government contributions (\$81 million), as well as revenues generated from our commercial functions and cost recoveries from other agencies that LPMA provides services to (\$370 million). With only 18% of revenues coming directly from the NSW Budget, LPMA is highly dependent on the success of its commercial operations.

Where the revenues are generated

LPMA has a number of commercial operations, including LPI, SCS, Crown Leaseholds Entity (CLE), Land Development Working Account (LDWA) and Crown Lands Homesites Program (CLHP). These are all self-funding operations. During the year, these operations collectively produced revenues of \$324 million.

LPMA provides staff to a number of agencies within the LPMA group. As the employing division under the *Public Sector Employment and Management Act 2002*, all staff costs and provisions for entitlements are reported against LPMA. These costs are recovered from the other agencies and reported as personnel services revenue by LPMA. For the year LPMA personnel services revenue from SPA, SHFA, HDC, Corporation Sole 'Minister Administering the *Environmental Planning and Assessment Act 1979*' (CSEPA), FDC, BOSSI and LIA totalled \$23 million. The financial statements of LPMA do not contain the financial details and performance of these other statutory bodies, as they are required to report separately.

Although predominantly government funded, Crown Lands Division also generated revenues of \$13 million. With other minor income across LPMA of \$10 million, which includes almost \$5 million into the PRMF from caravan park levies, total revenues were \$370 million.

How the funding is used

In 2009/10, the total of all funding received, being government contributions and revenues totalling \$451 million, was either put towards the costs of LPMA operations or distributed back to the NSW Consolidated Fund.

LPMA collects some revenues which are not used to fund operations, but are distributed back to the NSW Consolidated Fund. This totalled \$83 million in 2009/10, which can be seen in the statement of comprehensive income, in the government contributions section. This \$83 million was contributed to by LPI, CLE and LDWA and the detail is explained in note 8 of the LPMA financials statements.

For further details of financial results, see the Financial Snapshot section and the Financial Statements.

Corporate Governance

Corporate governance report

LPMA was established on 1 July 2009 as a result of the NSW Government's 2009 public sector administrative review. Control of the LPMA is vested to the Chief Executive who has statutory reporting lines for specific functions to two Ministers with the primary Minister for LPMA organisational activities remaining with the Hon. Tony Kelly MLC, Minister for Lands.

LPMA has a separate budget and stands as a separate authority to the established 13 super departments, but has a relationship with the Department of Planning in regard to the alignment of Corporate Services activities.

LPMA brings together the former Department of Lands including Land and Property Information (LPI), Crown Lands (CLD), Soil Conservation Service (SCS), Festival Development Corporation (FDC), Office of Biofuels (OBF), Office of Rural Affairs (ORA) and the Board of Surveying and Spatial Information (BOSSI) with the State Property Authority (SPA), Sydney Harbour Foreshore Authority (SHFA), Hunter Development Corporation (HDC), the Office of Strategic Lands (OSL), Lake Illawarra Authority (LIA) and the Chipping Norton Lake Authority (CNLA). The organisational chart is shown on the following page in *Figure 2 | LPMA Organisational Chart*.

The Chief Executive has established two main governance components within LPMA, which consists of the:

- LPMA Executive Board – Established to provide the strategic input, policy advice and direction for LPMA as an entity. Board meetings are determined by the date and requirements of the business needs and the authority's reporting cycle
- LPMA Management Forum – Established to provide increased understanding and general dialogue, cooperation and coordination across LPMA, and to pursue improved functional and operational authority outcomes. Management Forum meetings are held on a tri-monthly basis.

The prime operational governance within LPMA is provided at the divisional and associated office or corporation level where business and operational plans and the Statements of Business Intent guide the activities with respective directors and managers being responsible and accountable through their performance agreements with the Chief Executive.

Central direction, coordination and facilitation is provided by the Office of the Chief Executive.

The governance framework will be reviewed and enhanced during the coming year to further consolidate LPMA's establishment.

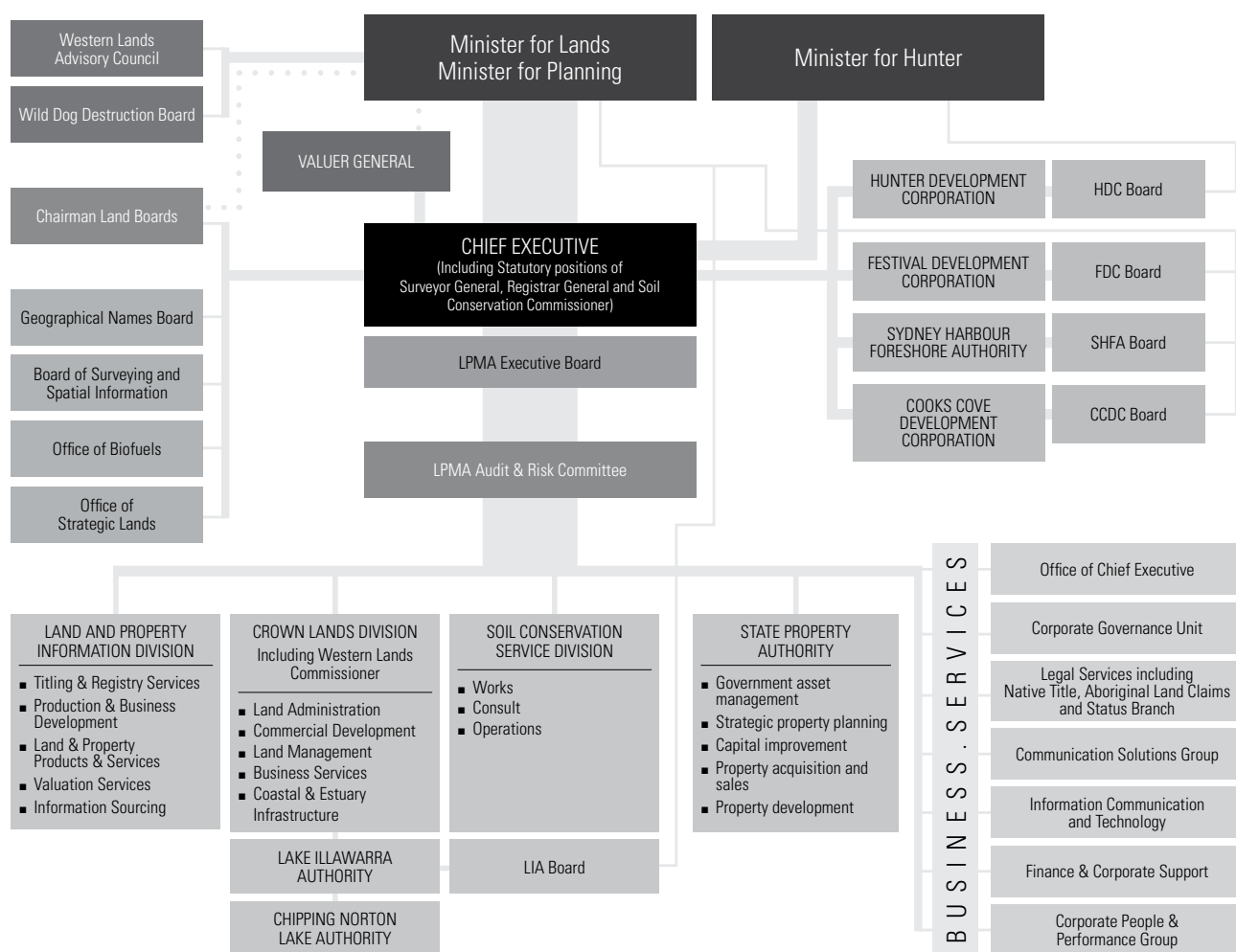


FIGURE 2 | LPMA Organisational Chart

Audit and Risk Committee

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

Audit and Risk Committee attendance

Members	Position	Attendance
Jim Mitchell	Chair, external member	6
Ron Cunningham	External member	6
Des Mooney	General Manager, LPI	6
Philip Western	Valuer General	5
Bruce Clarke	External member	2
Joanne Rees		
(Resigned during December 2009)	External member	1
Kel O'Keefe		
(Resigned during December 2009)	General Counsel	2

Members and attendance at meetings

The LPMA Audit and Risk Committee met quarterly during the period, it also held two special meetings during the year. The committee comprises of five members. There are three independent members, one of whom presides as chairman. The term of appointment for the independent members is four years. The members provide expertise in financial management, business management and development, audit, risk management, legal, valuation and property information.

Corporate Governance Unit – Internal audit outcomes

The Internal Audit Unit reports directly to the Chief Executive and the LPMA 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 Corporate Governance Officer is also the appointed Chief Audit Executive for the LPMA, and is a permanent invitee to the LPMA Audit and Risk Committee, which has an oversight role of audit activities.

The LPMA Three Year Strategic Audit Plan was formulated using the corporate goals, strategic risks and governance issues, which has been endorsed by the LPMA Audit and Risk Committee and approved by the Chief Executive.

During the year, there were 37 planned internal audit reviews, of which, 33 had been completed and four deferred to the following year as a result of other priorities and request from the relevant divisions.

Other activities included:

- ongoing 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 LPMA 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 21 complaints or allegations were undertaken or managed by the CGU. All matters relating to corrupt conduct were formally disclosed to the ICAC.

During the year one matter was referred to the NSW Police for criminal investigation.

Future focus

In 2010/11 the Corporate Governance Unit will:

- establish the LPMA compliance framework and group to support the framework
- review the structure of the unit to better serve the newly-established LPMA
- continue to develop governance training packages
- continue to develop and enhance governance related policies
- continue its facilitation for the implementation of the LPMA Risk Management Policy
- continue to develop and enhance the LPMA fraud prevention policy
- continue to manage matters referred by external regulatory bodies
- manage reviews of the operations and management of business/corporate units.

Principal Officers

LPMA Principal Officers are members of the LPMA Executive Board.



Warwick Watkins AM

**Chief Executive, Land and Property Management Authority
Surveyor General, Registrar General and Soil Conservation
Commissioner**

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

Warwick Watkins was appointed Chief Executive of the Land and Property Management Authority in 2009. 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 Lands, 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 the Australian Spatial Consortium, Chair of Spatial Information Systems Limited, Director of AuScope and a past foundation director of Landcare Australia Limited and former Deputy Chair of the Land and Water Australia Board.



Des Mooney

General Manager, Land and Property Information Division

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

Des Mooney, General Manager, Land and Property Information Division (LPI) since February 2001. 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. Mr Mooney is also a registered surveyor and registered valuer.



Graham Harding

General Manager, Crown Lands Division

Acting General Manager, Festival Development Corporation

Graham Harding was appointed General Manager Crown Lands Division in 2004. Mr Harding 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 to ensure both built and natural infrastructure are sustained now and into the future and more people are encouraged to use Crown reserves. The next financial year will see the introduction of transaction centres to improve customer service delivery leveraging efficiencies through improved databases, revised business processes and web enabled access. These initiatives will allow front line service delivery officers to focus their activities on delivering on the ground outcomes to communities across NSW.

Mr Harding is also:

- Board Member, Hunter Development Corporation
- Chair of the Interstate Committee for the Tweed River Estuary Sand By-Pass
- Chair of the Crown Cemeteries Advisory Committee.



Paul Jones

General Manager, Soil Conservation Service Division and Deputy Soil Conservation Commissioner

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

Paul Jones has been the General Manager of the Soil Conservation Service Division 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, Mr Jones 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 the Department of Lands, Mr Jones was appointed a Deputy Commissioner Soil Conservation Service Division, Business Operations, for Act administration purposes.



Barry Douse

Acting General Manager, State Property Authority

BA Hons., EMPA., GAICD., AQC

Barry Douse recently joined the State Property Authority as Acting General Manager from the Land and Property Management Authority. He has extensive experience in property management, procurement, contracting, strategic planning, relationship management and business services. Mr Douse has worked extensively across government and his experience extends to senior management roles in NSW State Rail, NSW Police, the former Department of Lands and Land and Property Information Division (LPI). Mr Douse has a strong property focus and commercial background. He has long-term involvement in outsourcing and service competition and has been responsible for procurement and contracting in NSW Police. He has also held strategic planning, organisation development and sustainability roles at the former Department of Lands.



Craig Norman

General Manager, Hunter Development Corporation

B.Ec, M.Acc. Studies, ASCPA

Craig Norman is the General Manager of the Hunter Development Corporation which is charged with fostering and facilitating economic growth on key strategic sites in the Hunter region. In early 2008 Mr Norman managed the successful merging of the former Honeysuckle Development Corporation with the Regional Land Management Corporation. The new entity has management of significant industrial, commercial and residential lands in the Hunter. Prior to this Mr Norman was the General Manager of the Honeysuckle Development Corporation since October 2005. The corporation was responsible for the redevelopment of 50 hectares of redundant waterfront industrial land in the CBD of Newcastle, Australia's seventh largest city. It is one of the largest urban renewal projects undertaken in Australia. In recognition of the corporation's success, the NSW Government has significantly expanded the corporation's brief to take in the wider Hunter region.

Before undertaking the CEO role, Mr Norman was the Corporation's Business Manager (Chief Financial Officer) for six years responsible for all business and commercial operations. Mr Norman has worked extensively in finance in government commercial operations.



Egle Garrick

General Manager, Sydney Harbour Foreshore Authority

MSc Soc (UNSW), BA, DipLib, CTM, GAICD

Mrs Garrick was appointed General Manager of Sydney Harbour Foreshore Authority on 10 May 2010. She joined the authority in March 2003. She has extensive experience in the NSW Government public sector and was the first woman to manage a public bus depot. Mrs Garrick was General Manager of Sydney Ferries for four years before moving to the Foreshore Authority. She is a non-executive Director of the training organisation MTC Workplace Solutions and the Place Leaders Association.



Philip Western

NSW Valuer General

BAgrCom (VFM) FAPI, AIMM, ANZPI

Philip Western is the principal advisor to the NSW Government on valuation issues. Mr Western 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 Mr Western worked extensively in senior management roles in the field of rating and taxation valuations. He 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 Senior Vice President of the API. Mr Western is a member of the advisory board for the Canada-based International Property Tax Institute (IPTI). In his spare time, he is President of the Board of NSW Gymnastics and a member of the NSW Rhythmic Gymnastics Sports Management Committee.



Bob Costello

Corporate Secretary and Chief Financial Officer

Dip Tech (Comm.) CPA JP

Bob Costello was appointed Corporate Secretary and Chief Financial Officer in February 2006. He has managed a range of strategic reform initiatives both in his current position and in previous roles. He has held a number of senior and executive positions in a range of agencies within the NSW public sector in a career extending 38 years.

Mr Costello's experience covers areas such as audit, policy development, state budget monitoring, financial management and accounting. He plays a crucial role for the Land and Property Management Property Authority in the implementation of the NSW Government's public sector reform agenda.



Kel O'Keefe

Corporate Counsel

LLM, M.A.

Kel O'Keefe is the head of LPMA Legal Services which includes responsibility for providing legal services to statutory bodies within the LPMA cluster. He has extensive practicing experience in the public sector and has also worked in a private practice. Mr O'Keefe's focus is on property, commercial and planning law. Mr O'Keefe is a member of LPMA's NECS Implementation Governance and Steering Committee.

Mr O'Keefe is also responsible for the specialist Aboriginal Land Claims, Native Title and Status Units.

Performance Report

We work within a large government and regulatory and governance environment which is outlined in our reporting framework (Figure 3) 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.



FIGURE 3 | Our Reporting Framework

The current reporting year has involved substantial change for the agency as we evolve from the former Department of Lands to the Land and Property Management Authority (LPMA). The reforms made across the NSW public sector have engaged our management and staff, as well as our customers and stakeholders, in a program of transition as we undertake administrative and cultural changes to craft a new vision for the organisation.

In 2004/05 the former Department of Lands commenced a journey to explore the non-financial factors which contribute to organisational performance, articulating that journey through the intellectual capital or extended performance report. This process has enabled the agency to investigate and evaluate aspects of organisational value which do not appear on the 'balance sheet' but are fundamental to the efficient and effective function of the organisation and the delivery of services and outcomes to our clients and stakeholders.

The formation of LPMA combines a number of government based land and property information and management functions which provide a unique opportunity to reflect, re-evaluate and re-vision our enterprise wide strategy.

During the reporting year we began a process of aligning the organisation's business activities, improving the organisation's internal and external communications, and re-engineering our internal processes to address the needs of the new organisation. For LPMA, like many other agencies, that also includes aligning our reporting processes to support our contribution to the NSW State Plan; Investing in a Better Future, released early in 2010.

The operational divisions of LPMA have key business and operational drivers which are articulated in their relevant business strategies and plans.

As we approach the end of the financial reporting period we have again partnered with the University of Sydney to undertake research within the new organisation. We are revisiting the research undertaken five years ago, to review our progress and introduce the new operational areas to the work that has been undertaken. The research outcomes will be available in the 2010/11 reporting year and will assist in documenting our position as we commence a new stage in our journey, incorporating the lessons learned and welcoming new input as we develop the framework for future extended performance reporting across the new agency.

Major restructuring

In March 2010, LPMA was transferred from the Services, Technology and Administration Cluster to the Planning Cluster. In June 2010, Sydney Harbour Foreshore Authority (SHFA) was added as a business unit of LPMA. It has not been necessary for major restructuring of LPMA to occur as a result of the integration of new business units.

Instead, the initial thrust has been on improving individual business performance and the provision of across agency coordination and provision of business and corporate services.

Major restructuring did occur within the existing Crown Lands Division (CLD). The division is responsible for the sustainable management of more than 43.7 million hectares of Crown land, about half the total area of New South Wales.

To positively respond to the challenges of remaining responsive, accountable and fiscally responsible, CLD restructured its business operations by:

- reducing processing requirements and costs
- redeploying resources to on-the-ground Crown land management
- delivering greater accountability through a new management structure.

Restructuring has occurred in accordance with the approved Change Management Plan, development of which included consultation with relevant unions and staff.

Our Core Business Areas

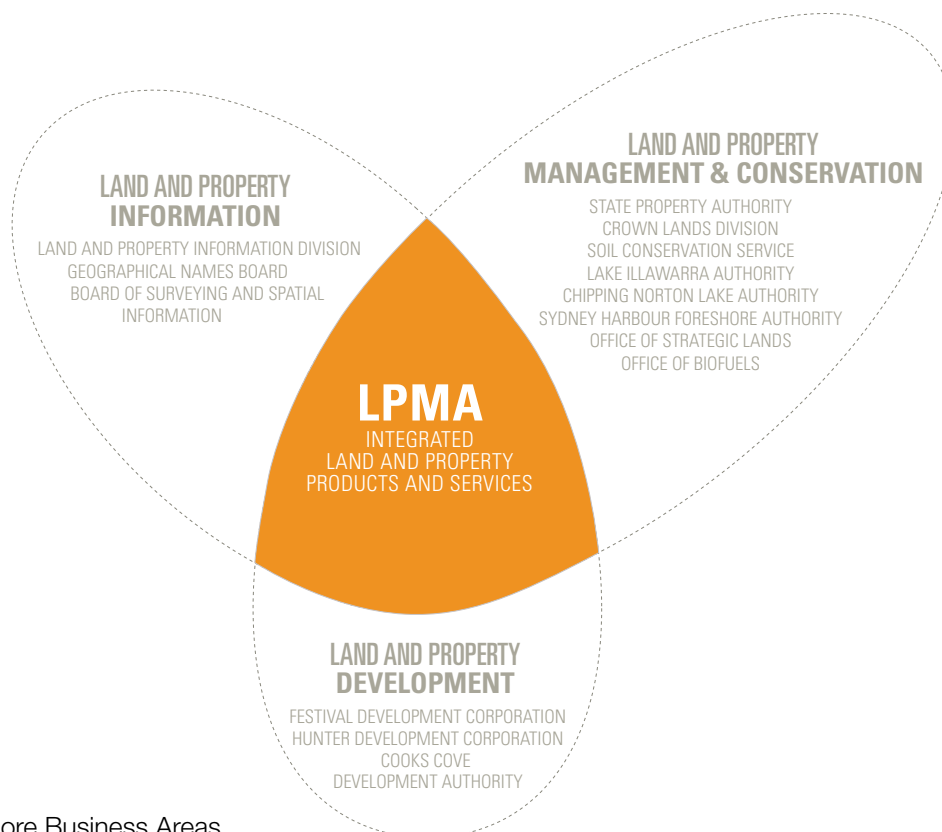


FIGURE 4 | Core Business Areas

LPMA's contribution to public value is in the coordination, integration and provision of products and services for a number of NSW land and property management businesses across the three core areas.

- Land and Property Information
- Land and Property Management and Conservation
- Land and Property Development

Goals

- To deliver improved outcomes through the integration of land and property related services including information, management and conservation and development.
- To create and deliver practical client driven products and services that meet their needs.
- To build and contribute to the attainment of sustainable outcomes across our products and service range in the land and property assets of NSW.
- To develop our organisational capital – our staff, our processes and resources – to achieve our organisational objectives, build value and deliver better outcomes for government and the community.

Strategic initiatives

- Deliver improved public value through the integration of agencies to provide better return on assets revenue and sales and protect the inter-generational equity and the generation of knowledge and enhanced service delivery pathways.
- Maintain and enhance governance and accountability in land and property activities.
- Developing human capital, expanding future career paths and sustaining a productive and healthy workforce and production and retention of knowledge capital.
- To provide strategic direction and support in policy, legislative reform including legal and governance as well as GIPA and information needs within and across the businesses.

Land and Property Information

Strategic objectives

- Provide leadership and good governance to assure the integrity and quality of government held land and property information assets.
- Promote and facilitate sharing appropriate land and property information and spatial data, across government.
- Position New South Wales as a leader in spatial information systems and solutions.

Our contribution

- LPMA is uniquely positioned to improve access to, and use of, land and property related information. As a custodian of key data sets, LPMA is encouraging other land, property and spatial data custodians to share data, ensuring that reliable, timely, quality data is made available. By facilitating technology platforms to enable data held by different agencies to be made available through a single interface, data custodians can provide information solutions to other agencies and to the public, if appropriate.
- The development of the Spatial Information Exchange has provided the platform for the whole of government spatial services and continues as the electronic enabling initiative for LPMA products and services.
- LPMA provides guidance and leadership in relation to a number of state-based and national programs which underpin existing information assets and seeking to anticipate the future information needs of the people of NSW and Australia. It is important to retain a significant role in the development of future information strategies to ensure that NSW is best positioned to leverage the land, property and spatial information assets to underpin good strategy, policy and decision making.

For information on agency achievements, visit the individual business reports:

- Valuer General's Report
- Land and Property Information Division
- Geographical Names Board
- Board of Surveying and Spatial Information

VALUER GENERAL'S REPORT

The Valuer General oversees the valuation system managed by the Land and Property Information Division (LPI), Land and Property Management Authority (LPMA) to ensure the delivery of quality valuations that meet the needs of our community.

The Valuer General is a statutory position responsible for:

- the provision of fair, accurate 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 is committed to providing a valuation system that meets the needs of our community which includes landowners, members of the public, ratepayers, land tax clients and state and local government.

The Valuer General's vision is to ensure the delivery of valuation services that are customer focused, delivering valuations that are fair, consistent, timely and provide value for money.

Outcomes

- Accurate and consistent land values.
- A quality, cost effective valuation process.
- An open and transparent valuation system.
- Our focus remains on continuous improvement.
- A quality valuation service measured through recognised quality standards and international benchmarks.
- Working relationships founded on regular consultation and open communication with our stakeholders.
- 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.



FIGURE 5 | Valuation System

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 (OSR) 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 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 twelve months commences 1 July 2010.

The 2009/10 agreement covered areas including customer service, valuation accuracy and consistency, data quality and innovation. Refer to LPI's Valuation Services report for details on performance outcomes.

GOVERNANCE

The Valuer General reports administratively to the Minister for Lands and the Chief Executive, Land and Property Management Authority. 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 committee's primary function 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 matters connected with the function of the valuation system.

The committee has continued to monitor turnaround times for objection processing. They noted the considerable work done around resources, processes and technology and the impact on improving objection processing times and the clearing of the backlog of objections. The average time for dealing with objections has improved over recent years falling from 168 days in 2006/07 to 103 in 2008/09 and is currently sitting at an average of 83 days. The committee noted improvements in the way performance is reported, particularly in regard to objections.

Fees for the use of valuation services have been considered by the committee. They have examined the need to charge an appropriate fee to all agencies and users of valuation data. The committee has also considered workforce capability in regard to the shortage of valuers. The Valuer General advised the committee on the action being taken in regard to these areas.

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 three times during the year. Principal matters for discussion, consideration and advice were:

- the 1 July 2009 valuations
- research into alternate valuation models
- valuation research projects into improving the quality of land values and quality assurance processes
- the ongoing parallel valuation project
- the objection system
- valuation audit
- valuation contractors – rating and taxing tenders.

Office of the Valuer General structure

The Office of the Valuer General comprises the Valuer General and 4.6 permanent staff.

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, including an overview of the property market in the biannual newsletter.

All publications are reviewed annually and stakeholder feedback is actively sought as part of the review process.

New publications are developed when needed. During 2009/10 a fact sheet was developed to assist strata property owners, *Land values for strata properties*.

The valuation information on the website is continually monitored to ensure it is accurate, relevant and up-to-date. Information on land values and council rating was added to the website to assist landowners' understanding of how land values are used by councils to assist in calculating rates and when councils receive new land values for rating.

The *Newsletter from the Valuer General*, distributed in January with the Notices of Valuation and in July by participating councils with rates notices, is part of the approach to continuously focus on customer service and improve transparency and access to valuation information for members of the public. The majority of councils chose to distribute the newsletter.

List of publications

- *Newsletter from the Valuer General July 2009 (10th edition)* – 1,419,000 copies distributed.
- *Newsletter from the Valuer General January 2010 (11th edition)* – 766,655 copies distributed.
- *Your land value – a brief guide to the land valuation process.*
- *Your land value review guide.*
- *Our service to you.*
- *Notice of Valuation fact sheet.*
- *Land values for strata sites fact sheet.*
- *Land values for irrigation properties.*

Customer service

The Valuer General continues to focus on improving customer service to landowners. Since the development of the Valuation Objections Customer Service Group in 2005 objection processing times and customer service have continuously improved.

Customer service has been measured (benchmarked) through independent surveys.

The initial survey was undertaken 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.

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

A follow-up independent survey was undertaken in April 2010. It was commissioned by LPMA on behalf of the Office of the Valuer General and focused on the same key areas of service as the 2008 survey. The final report was submitted to the Valuer General on 29 June 2010.

Results have shown that overall customer satisfaction has improved despite the strong existing benchmarks. These results apply to both the outsourced call centre and follow up service from LPMA.

The survey found the main reason for landowners contacting the call centre in 2010 was to make amendments to details on their Notice of Valuation such as update or change information including postal address, property address and ownership information.

A review of our customer service in relation to the outcomes of the survey is planned to be conducted during the first quarter of 2010/11 financial year.

Objections

The average turnaround times for objections continues to decrease. Our procedures are continuously reviewed to build efficiency and quality into the objection process.

The reporting of performance has been reviewed and a significant change made to the way turnaround times for objections are recorded. A more accurate way to count objections and timeframes has been introduced. Previously, when an incomplete or invalid objection was received, the recording of turnaround time commenced, despite, for example the objection being returned to the landowner to provide further information. The new procedure will allow the turnaround time to commence once the objection is accepted as valid.

An independent survey into objection handling has been commissioned by LPMA on behalf of the Office of the Valuer General to measure the quality of the service provided by LPI's Valuation Services in responding to landowners' objections.

It is expected that the survey findings will provide the basis for future improvements in objection processing, documentation, customer service and information provision to landowners. The findings will also contribute to the development of service level agreements between the Valuer General and LPI.

A project to enhance the online objection form is underway. It is expected the enhancements will make lodging an objection online easier and result in an increase in online objections being valid on first lodgment.

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 and associated data in NSW are reviewed each year.

The project met the 80% target of verified land values in the period 1 May 2006 to 30 April 2010. The project is on schedule to be completed in April 2011.

The project has provided enhanced valuation outcomes and improvement to the valuation basis. The reduced objection numbers and the overall improvement in the quality of land values is an indicator of the success of the project.

The future of the Land Value Verification Project will be reviewed during late 2010.

Research

Aligned with the commitment to improve the NSW valuation system, the Valuer General has commissioned Associate Professor John Macfarlane from the University of Western Sydney (UWS) to provide independent and impartial advice on improving the quality of land values for rating and taxing purposes in NSW.

Work undertaken in the past 12 months has included analysis of 1 July 2009 land values and objection outcomes, research and development of an alternative valuation model to assist in the auditing of land values, the analysis and relationship between analysed and adjusted sales to land values, independent analysis of the overall quality of land values through statistical analysis, assisting with the parallel valuation process, and in conjunction with LPI's Valuation Services developing standardised reporting templates to monitor key quality indicators.

Valuation system benchmarking

The Valuer General is committed to providing a quality, cost effective valuation system for NSW that compares favourably with leading agencies around the world.

With a focus on continuous improvement, the Valuer General regularly takes part in benchmarking studies to compare and measure our valuation practices and performance with other agencies worldwide.

The Valuer General is currently participating in a study being conducted by the International Property Tax Institute. This benchmarking study is to survey operation and valuation practices of assessing agencies worldwide, with the aim of finding the best practices, processes and opportunities for improvement in the assessment of property.

Strata property review project

A detailed review of information available to strata property owners was undertaken during the second half of 2009. The review determined that strata property owners would benefit from additional information about the valuation of strata property.

A new fact sheet, *Land values for strata sites* has been developed and the *Your land value review guide* enhanced to include information on land values for whole strata sites, proportional land values for individual units, objection rights and appropriate supporting evidence for strata objections including examples.

A project is currently underway to enhance the land value search for individual strata units, to include the land value for the whole strata site and an explanation on how the proportional land value for individual units is determined.

Supplementary valuation review project

Supplementary Notices of Valuation are issued outside the usual three to four year valuation cycle because of specific changes to circumstances surrounding the property.

A review of the information provided to landowners receiving a supplementary Notice of Valuation was undertaken. The review determined that explanatory information describing the reason for the supplementary valuation, in plain English, should be included on the Notice of Valuation.

The inclusion of explanatory information for supplementary Notices of Valuation was implemented in June 2010.

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*.

FUTURE FOCUS

Valuation quality

Continue to improve the quality of valuations for the benefit of all stakeholders. Key projects include:

- the completion of the Land Value Verification Project and review its further application/future
- continue the ongoing project to increase the number of 'representative properties' individually valued within components throughout the state
- continue to undertake parallel valuations for quality control
- further development and application of qualitative analysis tools for auditing and quality control of valuations
- continue the creation of specialist valuation groups (expert contract valuers) to determine land values state wide for specialist property such as mines, airports and shopping centres
- develop an automated valuation model (AVM) which will analyse sales data provided by contractors. The AVM will produce land values and compare sales. It will be incorporated in the quality assurance process.

Land value review process

- Continue to improve the valuation review process including faster objection processing.
- Review the objection process in relation to the outcomes of the objection handling survey.
- Implement an improved online objection process that provides landowners with additional supporting information and self-correcting mechanism.

Communication

Continue to improve our service to the community including landowners, members of the public, ratepayers, land tax clients and state and local government through:

- building on customer service through the outcomes of the 2010 customer service survey
- undertaking further surveys for customer service
- engaging in regular consultation with our stakeholders.

Integration of, and access to, data

- Develop and improve access to electronic data from across LPMA and other organisations to enhance the availability of information for the valuation process.
- Continue to improve the availability of electronic information to the public.
- Enhance the individual strata unit land value search to include the land value for the whole site of the strata scheme.

People – Development and Education

- Build a skilled, capable and valued workforce by investing in enhancing the expertise of staff and contractors to ensure quality valuations.
- Actively support the inclusion of rating and taxing valuation components in tertiary courses for valuers and ensure these courses meet the required standards for undertaking rating and taxing valuations.
- Continue to operate a trainee and graduate program to assist in maintaining internal staff and skill levels.

Valuation system benchmarking

- The Valuer General will continue to work with the International Property Tax Institute, international and Australasian 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.

Fees for valuation services

- The Valuer General will review the pricing of valuation services to users outside local government and the Office of State Revenue and set appropriate fees for valuation information and services.



Philip Western
Valuer General

OFFICE OF THE VALUER GENERAL KPIS

TABLE 1 | Office of the Valuer General KPIS

Key Performance Indicators (KPI)	Target	2005/06	2006/07	2007/08	2008/09	2009/2010
Total valuations issued for rating and taxing purposes		1,097,000	1,508,534	1,456,741	1,506,235	1,638,793
Total valuations on Register of Land Values at 30 June		2,372,936	2,389,193	2,403,557	2,416,581	2,428,915
Customer Service						
% of calls resolved on first contact ¹	85%	90%	88%	88%	88%	88%
% of calls responded to within 3 days ¹	85%	18%	33%	40%	71%	73%
Ratepayers						
% Notices of Valuation issued within 31 days	95%	95%	98.20%	89.70%	96.50%	71% ²
% 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%	64% ³	100%	100%	100%	100%
% supplementary valuations to council within 31 days	95%	95%	96.40%	95.40%	99.90%	100%
Office of State Revenue						
% objections to land values for land tax completed within 90 days	30%	31% ⁴	23% ⁴	20% ⁴	44% ⁴	59%
% objections to land values for land tax completed within 180 days	75%	69% ⁴	64% ⁴	81% ⁴	94% ⁴	98%
% objections to land values for land tax, where land value is greater than \$1m, within 120 days	95%	41% ⁴	29% ⁴	29% ⁴	74% ⁴	78%
% new land values issued to all property in NSW to OSR by 16 November	100%	99%	100%	100%	100%	100%

TABLE 1 | Office of the Valuer General KPIs *continued*

Key Performance Indicators (KPI)	Target	2005/06	2006/07	2007/08	2008/09	2009/2010
Supplementary valuations						
Total supplementary valuations issued		41,987	40,350	52,150 ⁵	38,775	36,659
Average days to complete	<65 days	100 days	85 days	71 days	65 days	47 days
Objections						
Number of objections received for all valuing years		12,791 ⁶	11,133	6,660	6,885	7,092
Number of objections received as a % of valuations issued		1.17%	0.74%	0.45%	0.46%	0.43%
% objections to land values completed within 90 days	25%	28% ⁴	24% ⁴	21% ⁴	44% ⁴	63%
% objections to land values completed within 120 days	60%	43% ⁴	37% ⁴	47% ⁴	70% ⁴	80%
% objections to land values completed within 180 days	95%	68% ⁴	68% ⁴	81% ⁴	94% ⁴	98%
Average number of days to complete objections	<90 days	157 days ⁴	168 days ⁴	138 days ⁴	103 days ⁴	83 days

1. New record.
2. Issue of supplementary valuations was suspended during the issue of the general valuation.
3. Does not include six Local Government Authorities which were subject to water separation values.
4. New basis for counting objections – counting commences from when an objection is accepted as valid.
5. Includes land values amended through verification.
6. New figure to include all valuing years

LAND AND PROPERTY INFORMATION DIVISION REPORT

Land and Property Information Division (LPI) is a Government Business Enterprise responsible for administering a range of legislation which provides the framework for land titling and conveyancing, surveying, valuation and related matters underpinning the economy of New South Wales. By supporting the statutory functions of the Registrar General, Surveyor General and the Valuer General, LPI protects land titles in NSW, maintains and promotes standards that ensure secure, consistent and quality spatial and valuation information is provided to the community.

What we do

LPI's business, as the NSW Government's leading agency for land and property information administration, is built on the foundation of its core services provided on behalf of the Registrar General, the Surveyor General and the Valuer General. These services 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
- 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.

Key achievements

During the 2009/10 financial year, LPI:

- made contributions back to government of \$30.2 million
- launched our new electronic Notice of Sale (eNOS) system enabling LPI customers to prepare and lodge Notices of Sale (NOS) online
- recruited 27 graduates and trainees to training positions across various LPI and business support areas
- expanded online customer services to enable self-service and increased information access (SIX, ePlan, Registrar Generals Directions).

Our customers

LPI products and services are available to the people of New South Wales as a whole, including government, private industry and the general public. Regular customers primarily come from three market segments.

- The property conveyancing industry.
- The land use, planning and development sector.
- Government agencies at state, local and federal levels.

Key products

- Over 4 million online requests for land information records are handled via our network of information brokers annually.
- Between 700,000 and 800,000 land title transactions are registered each year.
- 2.4 million properties are valued each year.
- LPMA's spatial imagery, including aerial imagery, continues to be utilised in emergency responses to disasters such as bushfires and floods.
- 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 information management system capable of electronically processing the lodgment of digital land title plans in NSW. LPI has made significant progress in its three-year program and continues to deliver significant benefits to the property industry.
- Online Shop – LPI Online was migrated to a more secure online location and renamed the Online Shop to more broadly capture the breadth of future products and services intended to be delivered electronically to the NSW community.

AIMS & OBJECTIVES FOR 2009/10

LPI's strategic goals for the five years to 2013 are as follows.

- 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.

To meet increasing demand for both electronic service delivery and spatial products and services across industry and the community, LPI invested further in improving land information systems and enhancing and developing electronic service delivery capabilities through ongoing projects including:

- development of a National Electronic Conveyancing System (NECS)
- electronic plan (ePlan) lodgment project
- upgrade of rural addresses to complete the alignment of Valnet2 and GURAS addresses and implement transaction based updating services
- development of echannel services
- LPMA's spatial data infrastructure consolidation
- upgrade of cultural topographic information and cadastral data
- conversion of old system, manual Torrens title and Crown land parcels
- conservation and digitisation of records, including historical plans, aerial photography, maps, survey field notebooks and the old form Torrens title register
- major asset valuation programs
- automated reporting to improve valuation quality assurance outcomes.

PERFORMANCE HIGHLIGHTS

- LPI customers can now prepare and lodge Notices of Sale (NOS) online, following the launch of our new electronic Notice of Sale (eNOS) system in April.
- LPI played a lead role in the establishment of NECDL Pty Ltd as a tri-state company (NSW, VIC and QLD) limited by guarantee to develop the National Electronic Conveyancing System (NECS).
- LPI relaunched its web-based practice manual, 'The Registrar General's (RG) Directions'. Enhancements to the website include more comprehensive information, improved navigation, page layouts and a search facility providing easier access to content.
- More than 450,000 Crown survey plans dating back to the early 1800s have been made available online as high quality colour images. The original plans have been transferred to State Records Authority for permanent archival storage.
- LPI hosted the 36th Registrars of Titles Conference in October 2009. Over 20 delegates from overseas and interstate attended the four day conference.
- LPI hosted its second Land Title Fraud Forum in April 2010 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.
- LPI established 16 additional Continuously Operating Reference Station Network (CORS) stations in the state's north coast and central west. With these CORS the overall implementation of CORSnet is 50% complete.
- LPI's LiDAR program to capture hi-resolution elevation data along the NSW coastline commenced in September 2009. 5,000 square kilometres of the north coast has been captured.
- Valuation Services has developed a valuation audit program to provide regular audit scrutiny of the valuation process. This is managed by the Valuation Quality Assurance Committee established in 2009 to oversee the quality assurance of the valuation process.
- Major asset valuation programs were carried out for portfolios held by Department of Environment Climate Change & Water, Department of Human Services Ageing Disability & Home Care, Historic Houses Trust, Land and Property Management Authority, the University of Sydney and Sydney Ports.
- The electronic system for processing land valuation objections has resulted in significant improvements in the electronic quoting and procurement for objection briefing services, provides a pre-populated objection form for landowners, ensures fast and secure delivery of objection documentation, an electronic system for performance management of contractors, secure storage of electronic documentation and a centralised process for issuing objection decisions to landowners. The completion and response times for objections during 2010 have been significantly improved.

KEY PROJECTS

NECS Readiness Program

LPI has been working with industry groups and other jurisdictions to develop and implement 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, reducing costs and increasing efficiency in the property market.

To support the development of NECS, in 2009/10 LPI pursued two concurrent streams of project activity.

- Supporting the national work program by developing and contributing NSW requirements to the NECS Requirements Definition, NECS Legal Framework and the NEC Data Standard (NECSD) specifications.
- The NSW Readiness Program to specify requirements and commence provisioning for the changes to legislation, business practices and systems required from the NSW Land Registry to enable and regulate electronic conveyancing, as a result of NECS.

Work undertaken as part of the NSW NECS Readiness Program during 2009/10 has included:

- conducting 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 industry
- developing in consultation with the other jurisdictions a legislation development plan based on the NECS Legal Framework Report
- documenting the detailed logical process model for automation of electronic examination and registration of lodgment transactions from NECS in a concurrent electronic and paper-based conveyancing and registration process
- specifying XML data schemas for NSW Registry Instruments and Registry information, for use in electronic conveyancing, suited to automated population and compliance assurance.

In January 2010 the governments of New South Wales, Queensland and Victoria formed National E-Conveyancing Development Ltd (NECDL), to progress creation of a system to provide an efficient competitive system, without increasing the cost of such services to the community or excluding any current market participant from operating in the new electronic environment. During 2010 NECDL is expected to develop a work program to complete specification and implementation planning for NECS.

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 the following.

1. Implementation of a national data transfer standard

The Intergovernmental Committee on Surveying and Mapping (ICSM) ePlan Working Group has developed a model to produce a generic LXML export/import format for cadastral plan data that includes jurisdictional specific elements. LPI has provided software vendors with a document defining the specific NSW requirements for a lodged Land XML file as well as sample files to assist them in their development of LXML functionality within their software. Test lodgments of LXML plan files from surveyors are expected to be lodged in the second half of 2010.

2. Electronic examination environment

A limited production release of the digital plan processing system which includes electronically assisted plan examination was rolled out on 1 July 2009. This production release has seen up to 30% of deposited plans being processed through the digital system. The electronic examination environment utilises a custom built examination tool which comprises an extensive set of examination 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 the ePlan portal within SIX. The portal offers an online requisition facility and an ecommerce gateway to pay and track bills online. ePlan lodgments now represent up to 50% of total plan lodgments. A project is currently under way to introduce a number of services within the ePlan portal to facilitate lodgment of plans in Land XML format. The new services will include the ability for surveyors to self-validate their plans online prior to lodgment.

Data Conversion and Cleansing Program

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

1. Title 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.

- To date 83.4% (30,017) old system land parcels have been converted to Torrens title computer folios.
- 94.7% (43,579) old form manual titles have been converted to computer folios.
- 82.4% (57,648) Crown land parcels within Crown reserves in scope of project have been converted to computer folios.

2. Digitisation projects aimed at capturing historic land title related records. The Bridge Street Plan Room (BSPR) 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. All (451,438) 'small flat' Crown plans have been digitised since the project commenced in April 2007. 51,043 Crown plans, including a proportion larger in size than 'small flat', were digitised in 2009/10.

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 643 films captured to date.

A project commenced in 2009 which is digitising nearly 30 million 16mm microfilm records of real property dealings dating from 1863 to 1998. As of June 2010 4,146,247 records have been scanned.

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, old form Torrens register titles and cancelled edition historical parish maps are now available online via the LPMA website, SIX and LPI's network of authorised information brokers.

Government Services Development Program

This program began in 2006 and is primarily 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. GSDP is also involved in project development and management of a number of business improvement initiatives across LPI.

1. Electronic Notice of Sale (eNOS)

The launch of our new electronic Notice of Sale (eNOS) system in April enabled LPI customers to prepare and lodge Notices of Sale (NOS) online. Members of the conveyancing industry, such as solicitors, conveyancers, lending institutions and lodging agents will benefit from the ability to integrate the electronic NOS form into their existing systems, making it much easier and more convenient to use. Use of eNOS is voluntary and the existing manual lodgment system remains available, modified to provide for certification of details. No LPI fees or charges apply to use either system. Access to the new eNOS system is available through LPI's network of approved information brokers or LPI's Online Shop.

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

Extensive improvements to the operating platforms of PIIS and the CRR have been undertaken. In particular, a number of the manual processes required in the management of PIIS inquiries have been automated. This has resulted in more responsive online delivery of information to agencies and clients now being available, and agencies can now submit updated information online. During the coming year major work will be undertaken to automate the CRR which will result in improved levels of service and productivity. A major initiative with the Roads and Traffic Authority (RTA) on a CRR pilot as a proof of concept for delivery of property searches through the CRR has been successful and LPI is working with the RTA to achieve full participation, which will significantly enhance LPI becoming a 'one stop shop' for delivery of property inquiries in NSW.

3. Integrated financial and ecommerce systems

This project has delivered improvements to manual invoicing, online generation of statements and other financial information, and an enterprise shopping cart, checkout and payment module. The next stage of the project due to be delivered in the third quarter of 2010 is the point of sale (POS) system. The new POS will integrate with the SAP system replacing a current stand-alone POS system. This will introduce a more flexible and stable operating environment and improve service to customers.

4. Collaboration across government

In 2009 LPI entered into a strategic partnership with Office of State Revenue (OSR) to improve interaction between both organisations, data exchange between agencies and facilitate the information needs of customers using enhanced services.

LPI is also collaborating with the Department of Planning to develop a spatial view of planning data including local, regional and state environmental planning instruments and the introduction of eplanning initiatives with local government, which is likely to involve the use of LPI infrastructure and data.

A joint initiative between LPI and the Local Government Managers' Association has seen LPI sign a Memorandum of Understanding with some 48 councils, with another 40 in the process of signing MOUs, to work co-operatively in a range of mutually beneficial activities. It is expected that most councils will have signed MOUs by the end of the 2010/11 financial year.

Common Spatial Information Initiative (CS2i)

The Common Spatial Information Initiative (CS2i) has continued to progress work in support of the NSW Spatial Council including the establishment of governance arrangements to enable customers to access spatial and related information online via NSW Government shared spatial services.

The CS2i Program Office held the 2009 NSW Spatial Summit as part of its communications and engagement strategy. The two-day summit attracted in excess of 230 participants representing federal, state and local government agencies. This event provided a forum for delegates to learn about the status of 'whole of government' spatial projects, initiatives and SDI development. It was also an opportunity to review, learn, discuss and contribute towards the way spatial information holds an increasingly important role in the future of NSW.

Delivery of Strategic Projects by the Program Office including the NSW spatial information metadata framework release and the development of a NSW Government Spatial Information Metadata Policy supporting the legal and political directives that affect data management in NSW, will form the cornerstone of future NSW spatial information policy development and implementation during the next year of operation for the Program Office.

Spatial Data Infrastructure Program (SDI)

LPI's spatial programs contribute to the development and maintenance of an integrated NSW Spatial Data Infrastructure (NSW SDI) by providing an environment that fosters and facilitates the sharing of data and infrastructure. In recent years there has been an increasing demand for LPI's digital spatial data sets to underpin a range of new and developing applications. Data from our spatial programs is widely used by government, industry and across the community in traditional hard copy, and applied to many different applications, embedded in core client applications and increasingly, for access by a range of mobile devices.

Specific spatial programs include:

- continually updating themes of information in the Digital Topographic Database (DTDB)
- improving the currency and accuracy of the Cadastral Database (DCDB), through the addition of new plans of subdivision, a task that will be ongoing and made more efficient through integration with the LPI ePlan initiative
- ensuring that the Geocoded Urban and Rural Address System (GURAS) provides the 'definitive' geocoded address dataset for NSW by establishing an effective maintenance environment for cleansing, updating, validating and populating address data
- operating state-of-the-art technologies for aerial capture of imagery (ADS40 digital camera) and elevation (ALS50 LiDAR system) through annual capture programs to service ongoing demand and timely response to emergency service requirements. In recent times LPI imagery services were requested for bushfires and central and far west floods.

Our spatial data programs add value by providing the state with:

- single point of data capture and maintenance across government therefore reducing duplication of effort
- complete coverage of NSW
- compatible data standards in terms of accuracy, content, currency
- access a complete dataset of the entire state
- critical emergency management information to assist during major disasters and terrorism
- complete data for tax, rating and electoral purposes.

Vision 2013 Workforce Planning Program

Vision 2013 is the workforce planning program LPI uses to attract, recruit, develop and retain staff ensuring they have the skills, knowledge and customer focus to deliver quality products and services. With Vision 2013, we have been proactive in identifying current and future business needs, reviewing our gaps and implementing strategies to build a sustainable workforce.

Key to Vision 2013 is the graduate and trainee program to ensure the capacity to replace experienced staff as they retire. Our trainee and graduate programs provide the opportunity for young people to gain valuable skills and knowledge, including further tertiary training funded by LPI, on the job coaching and mentoring in a variety of work areas.

Since 2003/04, 150 young people have been recruited across LPI and in LPMA corporate service areas. Throughout 2009/10 a further 27 graduates and trainees were recruited. LPI intends to continue to expand the graduate and trainee program over the coming years. The recruitment of young people in LPI has lead to a shift in our age profile with a noticeable increase in staff aged between 18 and 39 years.

However, the Vision 2013 program is not just about young people, we value all of our staff and encourage them to continue to expand and develop their knowledge and skills through further tertiary study, participation in internal and external training courses, taking on new roles, tasks and promotional opportunities to advance their career within LPI. Many of our staff continue to take advantage of these activities.

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), aerial imagery, survey infrastructure and geodesy, and customised mapping projects. During the year:

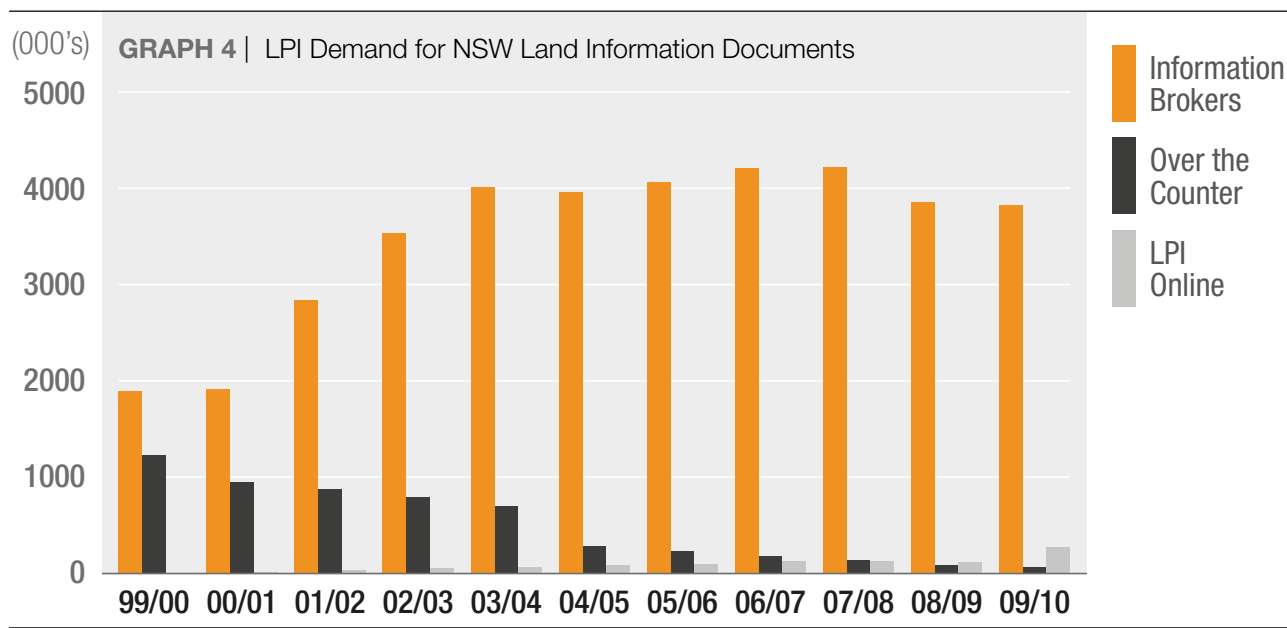
- more than 1.2 million additions and modifications were made to address data in GURAS
- assistance provided to complete rural addressing in the Western Division Unincorporated Area, Carrathool, Queanbeyan, Wentworth, Lake Macquarie, Central Darling Shire, and Upper Lachlan Councils and provided funding assistance of \$41,855 to Wingecarribee Shire Council
- the capture of 50 centimetre ground sample resolution (gsd), multi spectral imagery focussed on the eastern and central divisions of NSW in 2009/10. Imagery was also taken at 10 and 20cm gsd over rural towns and special purpose project areas
- orthorectification of digital imagery for geometric spatial accuracy was completed for 200,000 square kilometres of coverage
- survey control to support the Digital Image Acquisition System (DIAS) was established for 100,000 square kilometres of 50cm resolution imagery and 10,000 square kilometres of LiDAR capture
- 200 customised mapping projects were completed
- more than 1.2 million additions and modifications were made to the topographic database
- cadastral data was upgraded in accuracy in 14 LGAs, namely Armidale, Bega Valley, Blayney, Cabonne, Coolamon, Junee, Singleton, Tamworth, Tumut, Tweed, Upper Lachlan, Wellington, Wingecarribee, and Wyong
- established 16 additional CORS stations in the north coast and central west of the state. With these CORS the overall implementation of CORSnet is 50% complete
- implemented new CORS service management software to enhance user functionality
- additional survey control was established to assist cadastral upgrade in Tamworth, Upper Lachlan, Hastings and Taree LGAs
- over 500 GNSS height observations were provided to assist in the derivation of the new Australian geoid
- Local Government Spatial Seminar was held at Charles Sturt University, Bathurst during March 2010. Approximately 105 attendees from over 70 regional and metropolitan councils attended the seminar to discuss topics such as cadastral update and upgrade, addressing, imagery and LiDAR, Crown land, SIX, metadata, licensing, IP and copyright.

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 2.6% increase in demand for copies of LPI land information records. A total of 4,169,408 requests were satisfied, 98.5% of these online via LPI's network of authorised information brokers, LPI Online and SIX
- ongoing compliance reviews conducted with LPI authorised Information brokers and property sales clients to ensure operation compliance
- the Central Register of Restrictions (CRR) enhanced to also process non-cleared requests and respond on behalf of a participating agency when they have an affectation. This has resulted in over 100,000 additional CRR requests being processed

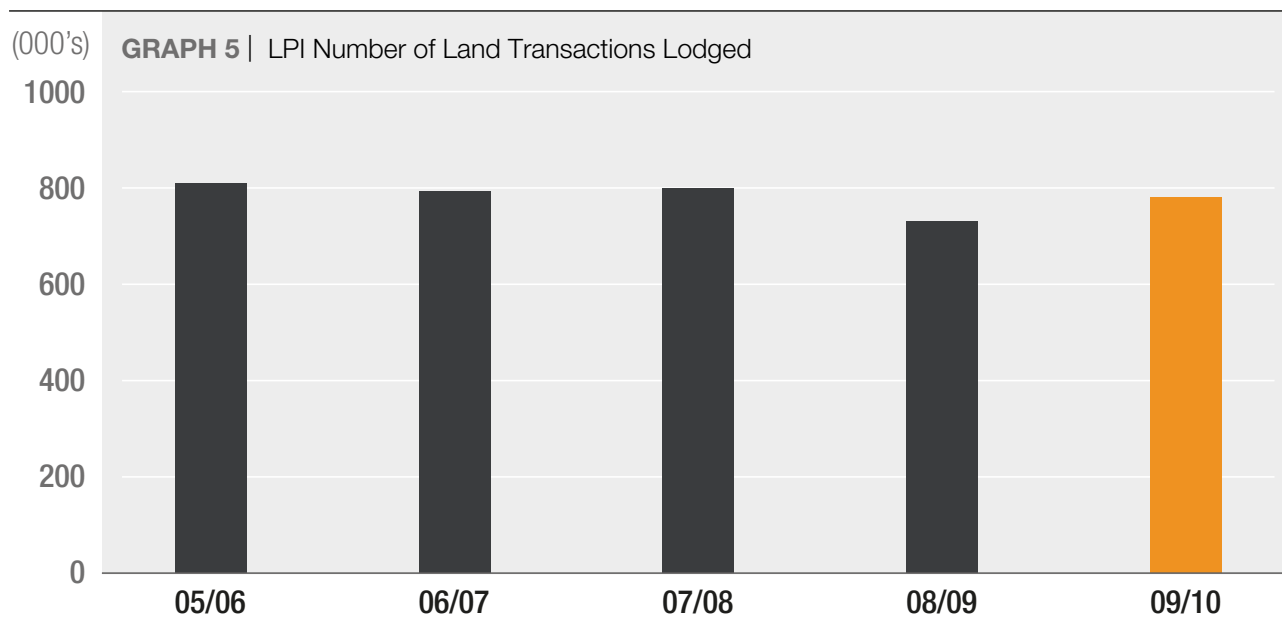
- 30 cadastral upgrades in progress
- implementation of a Whole of Government Imagery Program
- assisted agencies to reconcile their property assets against those recorded in the GPR before the end of financial year. The exercise confirms the Government Property Register's usefulness as a whole of government register. It is being carried out with the support of the NSW Audit Office
- LPPS's Imagery Program increased co-production, with a 20% increase in the number of agencies that have reciprocal agreements with LPI to provide data. This has led to improvements in the currency and accuracy of LPI's geospatial data and substantially reduces duplication of effort and also contributed to a higher number of participant agencies in the Single Land Cadastre initiative
- Graphic Services implemented a new Integrated Management System (IMS), with Quality (AS/NZS ISO 9001:2008), Environment (AS/NZS ISO 14001) certification, which has enabled more effective business performance.

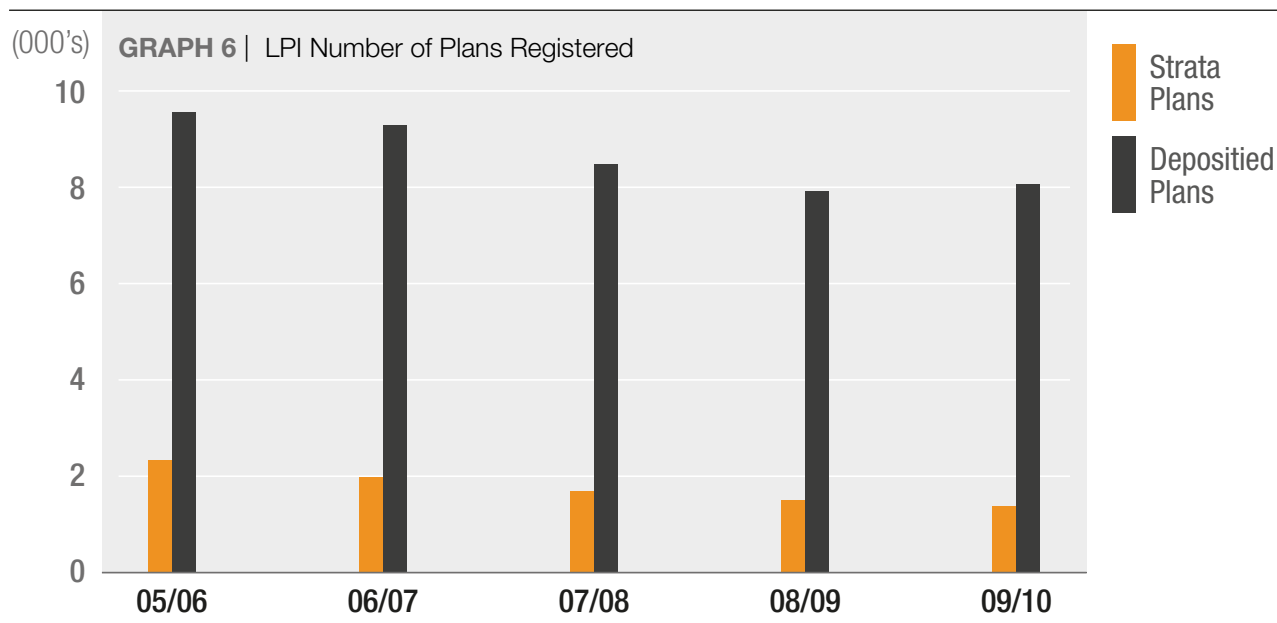


Titling and Registry Services

Titling and Registry Services manages LPI operations relating to land title plan and dealing registration, title creation and associated customer services. During 2009/10:

- there was a 6.9% increase in the lodgment of dealings recording property transactions: 781,222 dealings lodged, 50,979 more than in 2008/09 (see *Graph 5 | LPI Number of Land Transactions Lodged*)
- 8,072 deposited plans and 1,392 strata plans were registered (see *Graph 6 | LPI Number of Plans Registered*).
- compared to 2008/09, deposited plan lodgments increased by 1.9% and strata plan lodgments decreased by 14.2%
- 45.3% of deposited plans and 39.5% of strata plans were lodged using the ePlan facility
- 3.8% of deposited plans and 5.4% of strata plans were pre-examined
- 34,588 new titles were created; 19,941 from deposited plans and 14,647 from strata plans, a decrease of 6.3% overall on 2008/09 results
- technical liaison officers from Titling and Registry Services attended 16 seminars and conferences to present on a wide range of topics to regional surveying groups as part of the Surveyor Liaison Program
- the customer service centre received 170,440 telephone calls with 60% answered within one minute
- LPI hosted its second Fraud Forum in April 2010. This year's theme was 'A Proactive Approach to Mitigating Identity Fraud In Conveyancing'
- new procedures relating to the registration of changes of name were introduced as one of a range of LPI initiatives aimed at reducing the risk of fraudulent land transactions
- implemented new registration of land dealings procedures to cater for amendments to both the *Retirement Villages Act 1999* and *Aboriginal Land Rights Amendment Act 2009*
- LPI introduced changes to terms and conditions governing T&RS lodgment and registration services following a review initiated to mitigate the risk of clients accruing unacceptable levels of debt in the use of these registration services.

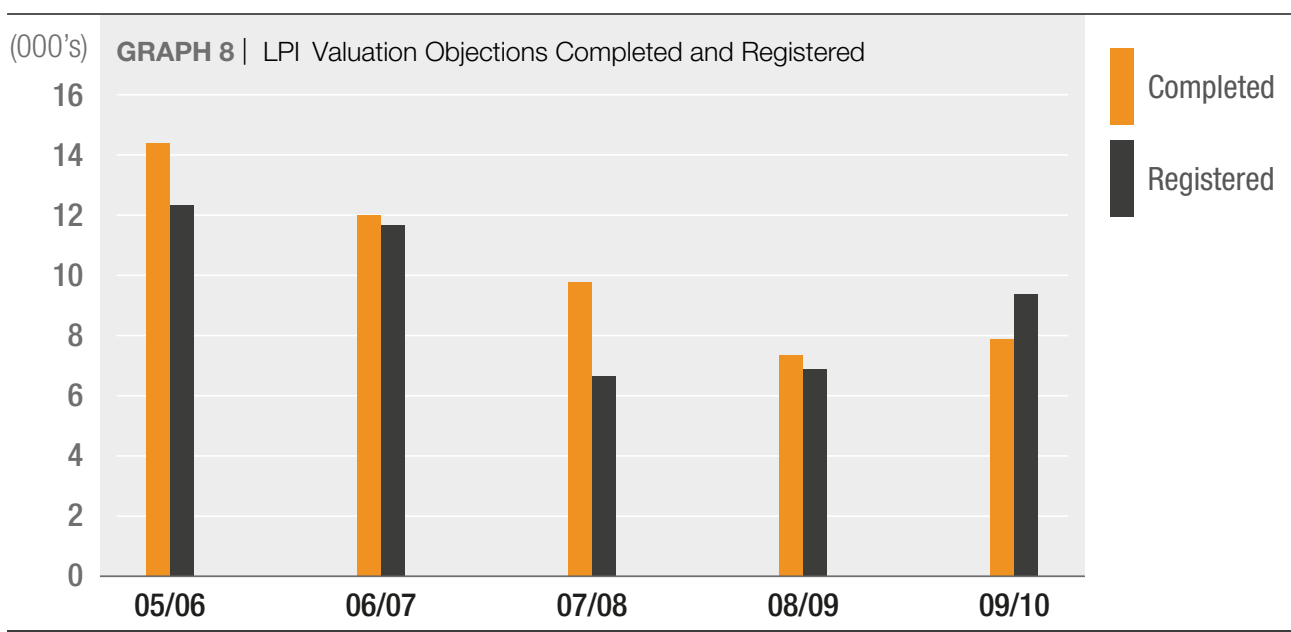
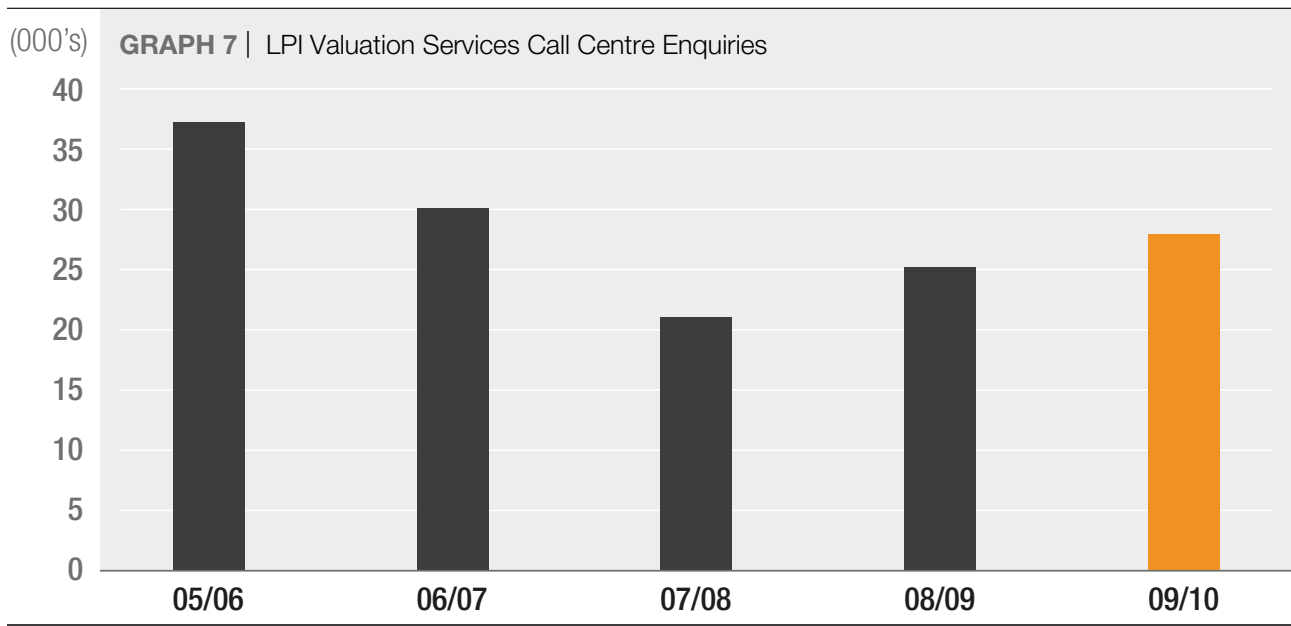


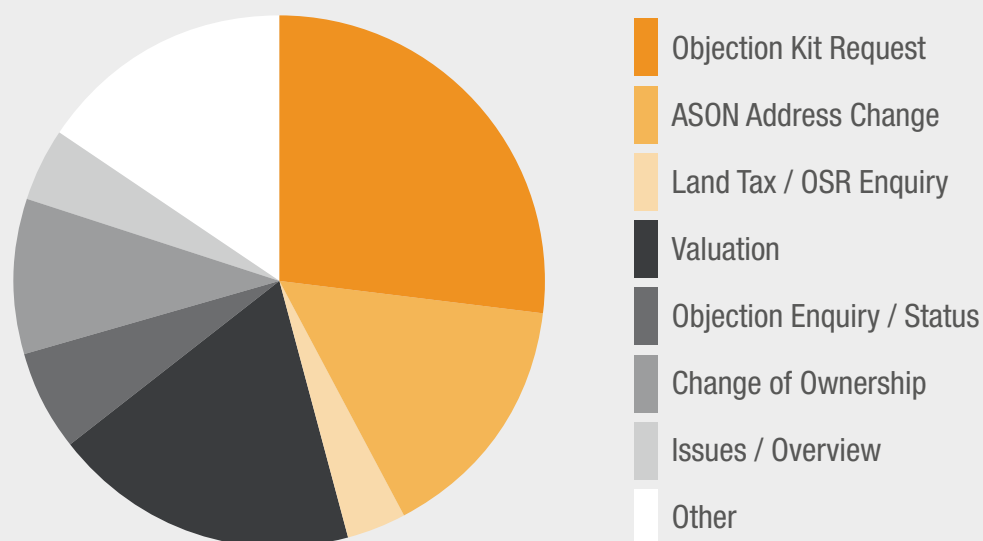


Valuation Services

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 management, objections and appeals, compensation and special valuations, and valuation audit. During 2009/10:

- valuation operations were reorganised into a single valuation unit to undertake valuation audit, determinations of compensation and provide a broad range of property advice
- the valuation audit program, providing regular audit scrutiny of the valuation process, continued to target sales analysis, market consistency, valuation quality and objection reporting standards
- the Valuation Analysis Package that supports more comprehensive data analysis of valuations (introduced during 2008/09) was further enhanced to provide automatic exception reporting of valuation recommendations
- compensation and special valuations activities included 200 determinations of compensation, on behalf of the Valuer General in accordance with the *Land Acquisition (Just Terms Compensation) Act 1991*
- call centre enquiries increased by 12% (see Graph 7), with 88% resolved at first contact
- the proportion of objections lodged online decreased to 37%, down from 42% in 2008/09. (*Graph 8 | LPI Valuation Objections Completed and Registered*)
- the Land Data Management Group has decreased the average turnaround time for processing supplementary valuations to 47 days, an improvement on 65 days in 2008/09
- procurement activities for rating and taxing valuation services were undertaken with ten contracts to the value of around \$11 million awarded. Successful tenderers commenced operations on 1 March 2010
- revenue generated through the provision of commercial property valuation advice to state and local government agencies decreased significantly to \$3.6 million, a fall of 50% due to lower demand for asset valuations
- consultation is continuing with individual councils to obtain signed agreements to LPI's framework Memorandum of Understanding for the provision of valuation services to local government
- the full benefits from the implementation of the Objection Document Management System, which began in 2007, were extended to allow for the self-loading of objection decisions and reports by contract valuers. The system has provided improved timeliness for landowners, significant efficiency gains for LPI and key stakeholders to further enhance the high quality independent objection service.



GRAPH 9 | Valuation Services Call Centre Enquiries by Type

Five-year performance summary

TABLE 2 | LPI Five Year Performance Summary

	2005/06	2006/07	2007/08	2008/09	Target for 2009/10	Actual for 2009/10	% change against 2008/09
Land title transactions registered	810,037	793,582	798,977	730,243	752,000	781,222	6.9
Plans registered	11,912	11,261	10,782	10,192	10,000	9,464	-9.2
Copies of land title related documents supplied to customers	4.27m	4.4m	4.5m	4.06m	4.093m	4.169m	2.6
Boundary determinations	16	8	6	12	12	11	-8.5
Survey enquiries (including SCIMS searches)	78,970	76,932	68,325	59,939	64,000	59,264	-1.1
Survey control infrastructure Improvement ¹	–	12,879	6,719	5,625	5,000	4,416	-21
CORS Net stations established ²	2	–	2	11	16	16	45%

TABLE 2 | LPI Five Year Performance Summary *continued*

	2005/06	2006/07	2007/08	2008/09	Target for 2009/10	Actual for 2009/10	% change against 2008/09
Land parcels added or updated to the Digital Cadastral Database ³	–	560,449	233,915	237,750	240,000	296,669	24.80%
Feature changes to Digital Topographic Database	0.89m	0.91m	2.2m	2.27m	1.05m	1.45m	-36%
Aerial photographs (analogue) ⁴	13,785	14,095	–	–	–	–	–
Aerial photographs (digital) sq km coverage	–	–	173,681	140,537	180,000	243,394	73%
Digital Elevation Model (LiDAR) sq km coverage ⁵	–	–	–	–	10,000	10,038	–
LPI aircraft flying hours (for aerial photography)	413	447	478	409	400	607	48%
% non-computerised land parcels converted to the Integrated Titling System (cumulative)							
Old System	62	89	92	94.7	83	83 ⁶	-11%
Manual Torrens (excl. lease folios)	57	79	93	96	96	95 ⁷	-1%
Lease Folios	–	70	78	81	83	83	2%
Crown Parcels	–	8.5	30	50	81	82 ⁸	32%

1. Represents all new survey marks established and existing survey marks improved in positional accuracy.

2. Continuously Operating Reference Station Network (CORS) of Global Navigation Satellite System receivers are being strategically placed around NSW to provide optimum service coverage.

3. Represents all new parcels added from Registered Plans as well as all changes to existing parcels.

4. Analogue aerial photography ceased with acquisition of aerial digital camera technology in 2006/07.

5. Acquisition of Digital Elevation data through aerial LiDAR operations commenced in 2009.

6. December 2009 review increased total Old System parcels from 29,000 to 36,000.

7. April 2010 review increased total Manual Torrens parcels from 44,000 to 46,000.

8. November review 2009 decreased total Crown parcels from 90,000 to 70,000.

FUTURE FOCUS

In 2010/11 we expect our core services to:

- **provide property information** including title searches, plan and dealing images, and deeds to a variety of businesses and individuals. Some 4 million requests are expected to be made in 2010/11 at charges ranging from \$6.57 to \$13.50 per request. Over 98% of information requests are satisfied through electronic delivery channels
- **register land dealings** by recording documents evidencing land transactions with Torrens title land in the Torrens Register. A typical set of dealings involved in a property settlement includes a discharge of mortgage, a transfer and a new mortgage. For 2010/11, LPI forecasts 554,000 dealing and 156,000 transfer lodgments
- **create new land titles**, primarily through the registration of plans defining new land subdivision is the primary source for the creation of new certificates of title. LPI forecasts that in 2010/11 approximately 10,000 new plans will be lodged and some 30,000 new titles created
- **maintain and distribute digital cadastral and spatial information** through our survey services, the cadastral maintenance program, the aerial photography and imagery capture program and the development, printing and sale of a large range of maps from our Bathurst office
- **develop spatial data systems, data models and specialist services** to meet a diverse range of stakeholders including emergency services, counter terrorism, natural resources and other sectors
- **deliver statutory land valuations** for use in calculating local council rates and NSW Government land tax payments. In 2010/11 LPI will issue approximately 800,000 statutory valuations to 53 local councils and 2.4 million valuations to the Office of State Revenue. These valuations underpin approximately \$2 billion in state land tax and \$2.5 billion in local council rates annually
- **provide specialist valuation advice** on a commercial basis to support the land management activities of a range of state and local government agencies. During 2010/11 LPI expects to provide some thousands of valuations to between 50 and 100 agencies for financial and management purposes, and property advice on sale, purchase, lease, and insurance
- **determine compensation for compulsory acquisitions of property** by state and local government agencies to support the orderly development of the state's infrastructure while ensuring land owners are fairly compensated.

GEOGRAPHICAL NAMES BOARD REPORT

The Geographical Names Board (the board) was established in 1966 to standardise place names within NSW. The board achieves this standardisation through the application of policies aimed at reducing confusion by:

- minimising duplication
- confirming the position and extent of places
- ensuring consistency in regard to a name's orthography and pronunciation.

The board also ensures that the state's place names comply with published guidelines on propriety so as to minimise offensive, incongruous and/or blatantly commercial names in the state's nomenclature. This emphasis on propriety reflects the board's views that place names are owned by the community and, as such, should reflect the community's principles and values. As this is the case, place names with Aboriginal significance or that reflect NSW's cultural diversity are preferred.

Place names commemorating everyday Australians who accomplish extraordinary achievements are also strongly encouraged by the board. These achievements need not be widely known or recognised but should be deemed important to the local community in which the place is located.

Community acceptance to new place names is essential if they are to be used by the community. The board works closely with local councils when establishing such names and consults broadly with the local community before these names are formally adopted.

Key achievements

Achievements in the reporting year include:

- over 40 names assigned that recognise outstanding achievement in the community by commemoratively naming relevant geographical features. These names recognise acts of bravery, community service and exceptional accomplishment by both individuals and groups
- recognising that consistent street address information is a requirement for efficient response by emergency services and over half of all government business is transacted through, or relies on, addresses which underpin some \$30 billion of economic activity annually. The board has gazetted 107 changes to suburb and locality names and boundaries and oversaw more than 1,500 proposals to name or rename public roads in NSW
- the board's commitment to recognising the state's Aboriginal culture through place naming. Seven new place names of Aboriginal origin were formalised in the reporting year. These names either commemorated Aboriginal people, reinstated Aboriginal place names or were created using Aboriginal words
- the board working with the Surveyor General of the Australian Capital Territory (ACT) to name three sections of the border between NSW and the ACT. The Sheaffe Line, the Mouat Line and the Johnston Line were named after the three surveyors who originally surveyed the boundary more than a century ago
- the board encouraging place names that acknowledge the multicultural nature of our society. A number of names were formalised that celebrate cultural diversity. These names include Hermits Cave Lookout which was named in honour of Valerio Ricetti, an Italian immigrant who arrived in Australia in 1914.

Aims and objectives

The board's vision is to be recognised by communities as the authoritative body for location based naming in New South Wales. 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 board's strategic directions.

Report on operations

Street addressing in NSW

The NSW road and address locality naming process forms an important part of our state's heritage by ensuring that names appropriately reflect an area's character. When new urban or rural developments need to be named or an existing area outgrows its current name, it is the board's responsibility to determine those names.

Road and address locality names are important navigation tools; not only for residents but for councils, emergency services and mapping services. These names reduce confusion, lower the incidents of duplication and ensure appropriate names are made official.

The board has formalised over 100 address locality names and processed over 1,500 road naming proposals in the reporting year leading to greater certainty and integrity for many thousands of addresses in New South Wales.

Surveyors honoured in NSW/ACT border names

In 1910, surveyor Percy Sheaffe was instructed by Director of Commonwealth Land and Surveys, Charles Scrivener, to begin the Federal Capital Territory border survey. The work undertaken by Percy Sheaffe, and his fellow surveyors Harry Mouat and Freddie Johnston was hard and at times dangerous but it defined the border between NSW and the ACT. The detail with which they were able to perform this task was remarkable given the unfamiliar land they were exploring and the difficulties they faced making accurate measurements using the technology of the day.

On 25 May 2010, the board recognised the work carried out by these surveyors by naming three separate sections of the border in their honour. Both the NSW Governor and the ACT Chief Minister joined in a ceremony at Mount Coree, the spot at which survey commenced just over one hundred years before, to recognise these place names.

Performance figures

The following table gives a breakdown of figure by designations of the place names formalised in the reporting year in comparison to previous years.

GNB indicators

TABLE 4 | GNB Indicators

Designation	2005/06	2006/07	2007/08	2008/09	2009/10
Address locality names and boundaries	280	188	73	160	107
Road names	1,099	908	1,651	2,441	1,576
Dual names	1	1	1	0	0
Other place names	124	259	127	158	117

Governance

Functions of the board

As set out in the *Geographical Names Act 1966*, 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

Members are appointed to the board in accordance with the provisions set out in Section 3 of the *Geographical Names Act 1966*. The Act allows for a total of nine members, four of whom 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 nominated by the Surveyor General.

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.

TABLE 5 | GNB Board Members and Attendance

Board members and attendance	
Board members	Board meetings (5 meetings)
Mr Warwick Watkins AM, AMP:ISMP (Harv), MNatRes, DipScAgr, HDA (Hons), FAPI, FISA, JP, Chief Executive of the Land and Property Management Authority, Surveyor General of NSW, Ex-officio position	4 (Chair)
Mr Paul Harcombe, BSurv (UNSW), MGeom (Melb), Nominee of the Chief Executive of Land and Property Management Authority	3
Mr Richard Neville, Nominee of the State Librarian, Appointed March 2009, term expires December 2011	4
Mr Alan Ventress, BA, DipLib Nominee of the Royal Australian Historical Society, Reappointed December 2006, term expires December 2011	4 (Includes attendance of Ms Lesley Muir to one meeting who was appointment as a deputy per Section 3, Part 12 b of the <i>Geographical Names Act 1966</i>)
Cr Tracey Carpenter, Nominee of the Local Government and Shires Association of NSW, Appointed September 2009, term expires December 2011	3
Dr John Emery, MA, PhD, DipEd, DipT&CP, Nominee of the Geographical Society of New South Wales, Appointed December 2006, term expires December 2011	5
Mrs Beverley Manton, Nominee of New South Wales Aboriginal Land Council, Appointed 26 November 2008, term expires 12 December 2011	0
Ms Wajiha Ahmed BA, LL.B, Grad Legal Prac, Dip Law, Nominee of the Community Relations Commissioner, Appointed December 2006, term expires December 2011	3
Ms Patricia Hale, Nominee of the Department of Planning, Appointed September 2009, term expires December 2011	3
Counsellors*	
Dr Peter Orlovich, Historical Advisor	4
Dr Jakelin Troy, Linguistic Advisor	5
Mr Gerard Herbert, Addressing Advisor	5

* In accordance with the provision of the *Geographical Names Act 1966* 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 Placenames Australia Inc. and the Committee for Geographical Names of Australasia (CGNA).

Placenames Australia is a voluntary non-profit association incorporated in NSW. The object of the association is to ensure that the Australian National Placenames Survey (the 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 web 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 placenames for this product are supplied by the board.

Administration

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

Future focus

The board continued to review its performance and plans for the future per its three-year strategic plan which was developed in September 2007. This plan sets out over 30 strategies and actions which are required to be carried out to ensure the board's effectiveness and relevance to the people of NSW. The board's progress on these strategies and actions remains strong with most targets already met. As this is the case, the board plans to draft a new three-year strategic plan in September 2010.

BOARD OF SURVEYING AND SPATIAL INFORMATION

The Board of Surveying and Spatial Information is responsible for the registration of land and mining surveyors, the board advises the NSW Government on spatial information.

View the 2009/10 Board of Surveying and Spatial Information Annual Report at

http://www.bossi.nsw.gov.au/about_bossi/publications/annual_reports

Land and Property Management and Conservation

Strategic objectives

- Delivering public value through effective management of government and community land.
- Facilitating and creating planned and sustainable land use solutions.
- Improving soil and vegetation quality through maintenance, protection and rehabilitation strategies.

Our contribution

- LPMA responsibly manages a wide range of land and property holdings on behalf of the NSW Government and the community. It is our obligation to manage these public assets whilst building economic, social and environmental value for the community and New South Wales.
- LPMA's various business divisions and groups manage a diverse portfolio of land assets encompassing government offices and accommodation, built assets including multi story buildings and harbour infrastructure to agricultural land, recreational areas and tourist facilities.
- LPMA also provides services and solutions to improve soil and vegetation quality, not only in relation to land holdings directly within our management and control, but also to other agencies and the wider community.

For information on agency achievements, visit the individual business reports.

- Crown Lands Division
- Soil Conservation Service Division
- State Property Authority
- Sydney Harbour Foreshore Authority
- Office of Strategic Lands
- Office of Biofuels
- Lake Illawarra Authority
- Chipping Norton Lake Authority

CROWN LANDS DIVISION REPORT

Crown Lands Division (CLD) manages 43.9% of the state's land mass, with a focus on people and the delivery of public values.

Who we are

CLD is a diverse, regionally-based agency that focuses on people and their many and varied needs for the use of Crown land to live better and enjoy more.

The division is guided by legislation to deliver multiple use, and more importantly multiple value (social, environmental and economic) and public enjoyment of Crown land.

What we do

CLD manages Crown lands to deliver better outcomes for the people of NSW and is guided by legislation to deliver multiple values (social, environmental and economic).

CLD manages approximately 43.7 million hectares of Crown lands, 43.9% of the state including:

- 370 staff across 20 regional and metropolitan locations
- 65,000 leases and licences for Crown land use urban and rural
- 35,000 reserves
- 6,500 travelling stock reserves
- 17 state parks
- 270 caravan parks
- seven national surfing reserves
- all land three nautical miles out to sea
- most beaches, estuaries and waterways
- cemeteries
- country and community halls and showgrounds
- heritage assets, including lighthouses, convict built ports, public buildings and historic mine sites
- a significant number of recreational lands including sporting fields, and support services in all local government areas across NSW
- about 700 community trust boards
- 25 minor ports and the Tweed River Entrance Sand Bypassing Project
- 21 river entrances
- NSW Western Division
- being the lead agency for the redevelopment of Gosford, Port Macquarie and Wagga Wagga CBDs.

Crown Lands Division key products

Recreational – Crown land is used for a range of recreational activities including, sporting grounds, walking tracks and state parks and beaches. One-third of the state's caravan parks and camping grounds are located on Crown land.

Reserve trusts – Trusts are established by CLD to manage and care for Crown land on behalf of the people of NSW.

Leases, licences and permits are administration managed.

Land development – CLD is a key player in residential, industrial, rural, maritime and tourism development, making land available or partnering projects that assist local communities to grow and prosper.

Asset management and planning – CLD manages significant community assets particularly maritime and is lead agency for major land use planning initiatives.

Our customers

CLD's customers are diverse and include the Minister, government agencies, private sector, individuals, partners, volunteers, industry groups.

Our community

CLD sponsored Regional Achievement and Community Award for Crown Reserve Trust and the Caravan and Camping Industry Association NSW Awards of Excellence 2009 for Holiday, Tourist and Resort Parks.

Key achievements

- **The Gosford Challenge** reached a significant milestone with the completion a draft master plan for the renewal of Gosford City Centre. The majority of residents supported the master plan and the concepts identified to revitalise the city. One of the concepts was to redevelop Gosford Waterfront. The waterfront redevelopment is seen as a way to revitalise the city. The waterfront opportunity has since been rebranded as the 'The Landing at Gosford'. Read more at www.thelandingatgosford.com.au.
- **The Crown Reserve Reporting System** (CRRS) was designed and developed by CLD to assist reserve trusts in meeting their reporting requirements under the *Crown Lands Act 1989* and reduce processing work in regional offices. CRRS is the online reporting system for the capture of information on the care, control and management of Crown reserves. CRRS was released to all reserve trusts and LPMA staff on 1 July 2009 and has been successfully employed by more than 1,000 (90%) of reserve trusts.
- **The Crown Cemeteries Advisory Committee** (CCAC) was established to provide advice, consultation and reports to the Minister on any matter affecting the development of policy regarding the strategic management of all public cemeteries and crematoria in NSW. The CCAC will formulate a long-term approach by undertaking community consultation on options such as renewable and limited tenure.
- **Road and Perpetual Lease Disposal** processes have been re-engineered and extra staff resources have been placed into teams to achieve 64% financial increase from last financial years. Under the Perpetual Lease Conversion Project 432,868 ha of land that has been converted from Crown land to freehold has been protected by environmental covenants.
- **Transfer of leasehold entity from NSW Treasury to LPMA** – recognises CLD's responsible management and administration of public owned land. This will pave the way for the establishment of CLD as a Government Business Enterprise.

AIMS & OBJECTIVES FOR 2009/10

Crown Lands Division's aims and objectives are:

- contributing to state growth by:
 - developing Crown land for commercial purposes where appropriate
 - improving economic performance
 - maintaining Crown land infrastructure.
- environment for living to:
 - achieve better environmental outcomes
 - improve facilities, access and use of Crown land.
- build the organisation and its networks by:
 - improving business through a project management discipline
 - building technical capabilities
 - establishing a Government Business Enterprise
 - reviewing and re-engineering business processes
 - improving governance and strategic planning.

PERFORMANCE HIGHLIGHTS

- **CLD successfully hosted the Crown Land Australasian Forum (CLAF)** on the Tweed Coast. CLAF is a forum for Crown land managers and administrators. The forum is an avenue to network, share ideas and strategies to ensure Crown land management remains at the forefront of both policy innovation and service delivery. This year's theme for the conference was 'Beyond Borders: Projects, Partnership and Public Value'.
- **The Crown Operational Geodatabase (COG)** was established in June 2010. This corporate spatial database is being deployed as a decision support tool for management and technical staff responsible for key business programs including bushfire management, road closings, land use planning and management. The COG will provide a platform for CLD to develop tools and processes for analysis and improved management of key Crown operational spatial datasets. This will provide a foundation for how spatial information systems can streamline operational processes while also improving business analysis of Crown lands across the state.
- **Surfing Reserve** – The North Narrabeen National Surfing Reserve was created this year and covers 50 ha of land and water along one kilometre of coast line taking in part of Narrabeen Lagoon. The lagoon plays a role in the natural process that make the surf breaks of this popular beach so unique.
- **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.
 - Riverside Wagga Wagga.
 - Nelson Bay Foreshore.
 - Newcastle Bowling Club (King Edward Headland Reserve).
 - Ettalong Beach Reserve.
 - Tweed Coast Regional Crown Reserve.
 - Manning River Regional Crown Reserve.
- **Lightning Ridge Caravan Park** – A business development strategy has been prepared and adopted for the redevelopment of the Lightning Ridge Caravan Park.
- **Key Fish Habitat (KFH)** – Project was a collaborative project between LPMA and Industry and Investment NSW, funded by the NSW Catchment Action Program. The project's objectives were to pilot ways to improve the environmental management of KFH on Crown land in the Clarence Valley and Eurobodalla Shires. The project developed criteria for appropriate tenure types and condition on Crown land that contains KFH.
- **Heritage Management in Silverton** – The remote village of Silverton located 30 kilometres west of Broken Hill has many significant heritage buildings and ruins located on Crown land. During the past year LPMA has undertaken a range of heritage activities in association with the Department of Planning and the Silverton Village Committee including a promotional heritage DVD, interpretative heritage signs and street signs.
- **Aboriginal Land Claims (ALC) Capture** – LPMA is responsible for processing ALCs over Crown land in NSW. A new centralised ALC data capture process and spatial layer was deployed in 2009 that provides the location and status of the land claim.

KEY PROJECTS

Old Newcastle Post Office

The post office is an iconic heritage building recently purchased by the NSW Government through LPMA. The site has been identified as playing an important role in achieving the objectives of the government's future revitalisation plans for the City of Newcastle. It is envisaged that the building will cater for uses that meet the changing regional and urban development requirements of the City of Newcastle.

Nobby's Headland

The headland will be transferred into the ownership of LPMA. Nobby's Headland is an historic site and a cornerstone of the local landscape. Under the previous management of the Newcastle Port Corporation (NPC) the site has not been accessible to the public. LPMA is planning to make the site accessible to the public within the next six months.

North Tuncurry Land Development Project

This project is being undertaken in conjunction with Landcom to provide 2,200 residential lots and necessary employment lands to facilitate future growth opportunities in the Great Lakes Shire.

Capturing the commercial program into the Crown Land Information Database (CLID)

This database will ensure the financial and asset management integrity of the land development, surplus government property sale and acquisition programs.

Development of Redhead Retirement Living Project

The project will oversee the development, occupation and management of 200 dwellings that will cater for over 55s in a retirement living complex.

Commercial development opportunities

LPMA facilitated investigation of a proposal for the sale of part of the Taylor Oval Reserve at Moree for construction of a major commercial development. The proposal will become a cornerstone to revitalise growth of the retail sector in Moree and generate \$2.25 million, which will be allocated for development and improvement of recreational facilities in Moree. This significant outcome is indicative of the authority's ability to deal with public land to support the growth and development of a community Cabinet decision.

REPORT ON OPERATIONS

Reserve trusts

Reserve trusts are appointed by the Minister for Lands to manage and care for Crown land on behalf of the people of NSW. These include sporting grounds, community halls, showgrounds, beaches and cemeteries.

More than 700 Crown reserves are managed by community volunteers through reserve trusts.

In the last twelve months a number of induction presentations have been held for new trust board members to explain their roles and responsibilities. CLD is currently developing an online induction program which new community trust board members will be able to access and undertake immediately after they are notified of their appointment to a trust board.

Crown Lands Strategic Development and Marketing Program

The program undertakes the development and sale of Crown land. The program's target revenue of \$12 million has been exceeded. A flexible five-year sales program for CLD, designed to meet annual revenue targets, has been prepared.

Coastal Harbours Program

The program provides and maintains port infrastructure as well as safe and secure access to 25 harbours along the NSW coast.

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

Highlights undertaken during 2009/10 include repairs to Ulladulla Tee Jetty (\$215,000), Eden Jetties (\$194,000), jetty repairs and dredging at Crowdy Head (\$315,000), Wollongong slipway repairs (\$160,000), Coffs Harbour slipway repairs (\$140,000) and dredging the outer channel at Coffs Harbour (\$512,000).

River Entrances Program

Works funded under this program include maintenance of breakwater and river training walls at 21 river entrances, dredging of river entrance bars and improved community access. With a total estimated value of \$1 billion, these structures play a pivotal role in providing enhanced navigation for regional fleets including 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.

Projects completed in 2009/10 include maintenance dredging at Swansea Channel (\$420,000), repairs to breakwaters at Hastings River (\$56,000), Richmond River (\$18,000) and storm damage at various North Coast breakwaters (\$61,000).

Waterways Program

This program aims to ensure sustainable use of Crown land waterways and foreshores, to improve public access for recreation and amenity for public use.

Enhanced funding of \$1 million was announced for the program in 2008/09 with projects continuing in 2009/10. The funding is to improve navigation for recreational boating. Following a call for expressions of interest, six councils were selected to undertake projects on a shared funding basis. Highlights of projects commenced in 2009/10 included Pipers Creek at Wallis Lake (\$10,000), Brisbane Waters (\$280,000) and the Myall River at Tea Gardens (\$210,000).

Tweed River Entrance Sand Bypassing Project

The project is a joint initiative of NSW and Queensland governments and managed by the CLD.

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.

During 2009/10, a total of about 386,000 cubic metres of sand was transported by a combination of pumping and dredging. A clear navigation channel was maintained over the full year. The total NSW contribution to the project during the year was \$4.4 million.

Weed and pest funding

As part of sustainable management of Crown land, LPMA provided funds for weed and pest control programs totalling \$745,000. These projects were undertaken by managers of Crown land including trusts, councils, the Livestock Health and Pest Authority, Landcare groups and LPMA.

Crown land bushfire management

CLD has a statutory responsibility under the *Rural Fires Act 1997* for bushfire protection on land under its control. An increased works program for bushfire hazard reduction and fire trails has been successfully completed. This included approximately \$1.8 million funded from the Fire Mitigation Works Fund, CLD, the Commonwealth and other sources.

Substantial enhancements were made to asset protection zones in Sutherland and the lower Blue Mountains. Fire trails and asset protection zone enhancements on Crown land around Sydney are set for implementation in 2010/11 and beyond.

Leases and licences

Crown land generates \$60.579 million in revenue through 65,000 tenures. CLD issued 490 new tenures in 2009/10.

Public Reserves Management Fund

In 2009, over \$11 million was allocated for improvements at local parks, reserves, walking tracks, caravan parks and showgrounds through the fund.

Western Division Legal Road Network Project

CLD continues to progressively establish a legal road and access network for the Western Division where it currently does not exist. The formalisation of the road network includes accurate identification, mapping the location of roads, withdrawal of affected lands from the leasehold estate and dedication as public roads. This year about 2,200 km of road has been defined and dedicated as public road, 750 km of easements have been created.

Dog Proof Fence

The Wild Dog Destruction Board is responsible for maintaining the 600 km dog proof fence, located on the borders separating NSW from Queensland and South Australia. The fence is a barrier to wild dogs and dingos entering NSW, protecting livestock and native animals. Extreme weather events have caused severe damage to the fence this year. The fence was repaired after the September dust storm and the February/March floods. While repair work was undertaken baiting programs have been conducted to manage dogs that may have entered through the damaged fence.

Guidelines for the creation of new commercial leases for caravan parks on Crown land in NSW

Guidelines were developed to explain issues and processes that are integral to the negotiation of new commercial leases for tourist facilities.

Crown Lands Conversion Project

This \$11 million project creating titles for Crown land is 80% complete.

FUTURE FOCUS

Crown Lands Division's focus for 2010/11 is to:

Create opportunities for economic growth by:

- transitioning to a Government Business Enterprise
- growing existing CLD business
- developing Crown land, where appropriate, for commercial purposes by the private sector for public benefit
- creating efficiencies through the re-engineering of processes and the creation of business/transaction centres.

Deliver better services by:

- maintaining and investing in Crown land infrastructure
- improving natural and manmade assets on Crown land
- providing better access to, and use of Crown lands for broader community benefit.

Build the organisation and its networks by:

- expanding collaboration with key stakeholders and partners
- delivering business objectives through a project management discipline
- providing faster responses to clients and stakeholders by improving data quality and technological advancement
- the development of a strategic governance framework.

SOIL CONSERVATION SERVICE DIVISION REPORT

The Soil Conservation Service Division (SCS) is a soil conservation and environmental consulting business within LPMA 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. Maintenance of state government assets on behalf of other government entities is also undertaken by SCS.

LPMA administers the *Soil Conservation Act 1938* and as such 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.

Who we are

An environmental consultancy business specialising in environmental protection, rehabilitation and land management, offering a complete range of professional and technical services in land rehabilitation, project management, specialist earthworks, erosion and sediment control, environmental audit, soil and water testing, revegetation techniques and the sustainable management of farm water supplies.

What we do

Soil Conservation Service Division (SCS) is a soil conservation and environmental consulting business within LPMA specialising in environmental protection, rehabilitation, audit 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.

In business for nearly 70 years, SCS operates from 30 centres around the state, SCS has three areas of business activity: Consult, Works and Operations.

SCS 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.

Maintenance of state government assets on behalf of other government entities is also undertaken by SCS.

Key products

Consult – SCS provides fully commercial services in areas associated with environmental protection, rehabilitation, audit and education. Clients are offered a complete package from planning, design and layout through to final implementation, including project management.

Works – Through its plant hire scheme, SCS offers a competitive earthmoving service to design and implement soil and water conservation earthworks. Services include banking and waterway systems, revegetation and mine rehabilitation.

Operations – SCS maintains NSW Government assets including flood mitigation works in the Hunter Valley and Great North Walk.

NSW Soil Policy – the NSW Soil Policy Working Group chaired by LPMA, following public consultation, has developed a draft Soil Policy and Actions and Strategies documents.

Our customers

SCS clients include the landholders of NSW, government agencies including Catchment Management Authorities, Industry & Investment NSW – Mineral Resources, Sydney Catchment Authority, Roads and Traffic Authority, DECCW – Parks & Wildlife, Telstra, Defence, TransGrid, local government, conservation groups and commercial companies.

Our community

Field days at Mudgee, Orange and Agquip (Gunnedah) were attended to promote LPMA services and local operations.

Aims and objectives

- Lead role in the development of a revised NSW Soils Policy, Actions and Strategy.
- Provide a specialist consulting service in environmental protection, resource planning and assessment, environmental engineering and training in soil and water conservation.
- Provide a cost-effective conservation earthmoving service to protect and conserve the soil and water resources of NSW.
- Set the industry standard for conservation earthworks design and construction.
- Assist LPMA to meet its objective of managing the natural resource of NSW in a sustainable manner.

Principal officers

- Paul Jones, General Manager and Deputy Commissioner, Business Operations, BEng (civil), Certified Professional Erosion and Sediment Control (CPESC)
- Adrian Harte, Deputy Commissioner, Research and Investigation, Director Land Management Crown Lands Division, BSc(Agric), MRurSc, GradDipPubSecMgmt
- David Howley, Area Manager Northern, BSc, MSc, BEng (environment), CPESC
- Col Adams, Area Manager Central, DipAgr, CPESC
- Guy Van Owen, Area Manager, Southern, BSc (Hons) MSc, DipAgr, CPESC

AIMS & OBJECTIVES FOR 2009/10

- Working with NSW natural resource agencies, lead and co-ordinate the development of the NSW Soils Policy, Actions and Strategies 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 priority areas, in particular in the area 'Green State' working :
 - to 'protect our native vegetation, biodiversity, land, rivers and coastal waterways'
 - to a lesser extent priorities in infrastructure maintenance in education, power and road facilities.
- Develop a broader commercial recognition of SCS through contract and partnering agreements with government agencies.
- 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 the 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.
- Implement the newly accredited SCS integrated management system for OHS (AS4801:2001), Environment (AS/NZL ISO 14001:2004) and Quality (ISO9001:2000). Implementation will manage an improved safety result, operational performance and an increase in tendering opportunities for environmental projects.
- Monitor customer satisfaction and continue ongoing review of SCS's quality management system. Undertake random audits of non-accredited offices to ensure compliance with management systems.
- With retirement of several key SCS management positions an opportunity arises to review the current management structure to better meet the business plan strategies.

PERFORMANCE HIGHLIGHTS

- In April 2009, the Cabinet Budget Committee approved the SCS business plan as submitted to Treasury. The plan was reviewed as part of the Statement of Business Intent process to Treasury in January 2010 and extended out to 2019. Approval provides a clear mandate for SCS to progress a number of business objectives. The outcome from SCS implementing its business initiatives has resulted in a financial result exceeding the business plan's objectives and forecast for 2009/10.
- Implementation of the newly accredited SCS integrated management system for safety, environment and quality made a significant contribution to achieving the increased revenue result.
- SCS's previously successful track record in delivering projects for the Department of Education and Training (DET) on time and within budget, resulted in a significant increase in its revenue from the DET in 2009/10. SCS provided environmental consulting and project management expertise to complete numerous projects to enhance the external environment and functionality of numerous NSW schools and colleges.
- State Water awarded SCS with the minor works package for the Keepit Dam Upgrade. This contract for \$1.2m utilised SCS's environmental project management and practical earthmoving capability.
- 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. Following public consultation a draft Soil Policy, Actions and Strategies documents were prepared.
- Field days at Mudgee, Orange and Agquip (Gunnedah) were attended to promote LPMA 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, DDM (Defence) and several CMAs.
- CMA continue to be a major client for professional services and environmental works with projects totalling \$1.52m. 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 \$1.06m for the Crown Lands Division.
- Consult activities during the year were very strong assisted by significant project work carried over from 2009/10. Consult income at \$19.5m exceeded our business plan target income of \$15.8m by 23.4%. Consult contract sales (\$21m) rose by \$8m (up 62.7%) on the previous year, an outstanding result and exceeded the SCS previous record sales figure of \$17.1m (2007/08).

SCS performance highlights

TABLE 3 | SCS Performance Highlights

Table A – Percentage of customers by group													
Customer group	Works (% of customers)				Consult (% of customers)				Operations (% of customers)				Total
	2006/07	2007/08	2009/08	2009/10	2006/07	2007/08	2008/09	2009/10	2006/07	2007/08	2008/09	2009/10	2009/10
Landholders	68.6	56.6	51.9	50.8	2.9	1.1	1.5	0.3	17.7	10.9	1.4	1.1	10.2
State government	17.2	23.2	22.8	26.6	68.8	72.6	61.5	69.1	71.7	79.4	98.6	98.9	64
Local government	3.4	3.8	2.2	5.4	7.9	5	13.3	7	2.8	5.4	0	0	5.9
Corporate	9.3	15.2	20.2	8.8	20.2	20.6	22	22.1	7.8	4.2	0	0	17.2
Other	1.5	1.2	2.9	8.4	0.2	0.7	1.7	1.5	0	0.1	0	0	2.7
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100

Table B – Billings by customer group													
Customer group	Works (sales \$000)				Consult (sales \$000)				Operations (sales \$000)				Total
	2006/07	2007/08	2009/08	2009/10	2006/07	2007/08	2008/09	2009/10	2006/07	2007/08	2008/09	2009/10	2009/10
Landholders	5,002	4,270	3,290	2,842	305	178	187	69	883	447	53	33	2,944
State government	1,253	1,751	1,449	1,490	7,151	11,962	7,979	14,066	3,591	3,248	3,894	2,978	18,534
Local government	252	285	140	299	822	833	1,727	1,419	139	221	0	0	1,178
Corporate	676	1,147	1,282	493	2,105	3,389	2,858	4,497	391	170	0	0	4,990
Other	107	89	184	473	16	113	217	302	2	3	1	1	776
TOTAL	7,292	7,542	6,345	5,597	10,399	16,475	12,968	20,353	5,006	4,089	3,948	3,012	28,962

KEY PROJECTS AND SERVICES

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 were identified and proposed. 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 NSW Soils Policy has been developed which considers the strategic needs of soil management under the objective's areas.

- Community awareness, understanding and commitment.
- Comprehensive, current and accessible soil knowledge base.
- Capability to better manage NSW soils.
- Institutional arrangements that favour sustainable soil management.
- Innovation in land use planning, soil management and institutions.

The draft strategy has been submitted for review by respective agencies and authorities of the working group, which will be followed by the consideration of the Natural Resources CEO Cluster Group, thence a Cabinet decision.

Key services

Soil Consulting (Consult)

Consultancy and contracting services are offered on a fully commercial basis in a broad range of areas associated with environmental protection, rehabilitation and education. Many of the consultancies undertaken involve the Works teams and enable SCS to offer clients a complete package from planning, design and layout through to final implementation. The work is founded on a thorough understanding of what is practical and cost-effective and at all times is concerned with the protection of the environment.

These practical skills and knowledge have also been packaged to provide well recognised training programs to the construction industry.

Services offered have expanded and include:

- project management, rehabilitation and revegetation of degraded areas
- resource planning and assessment
- environmental assessment and environmental auditing
- soil surveying and landscape mapping
- soil and water testing services
- catchment and property planning
- erosion and sediment control on infrastructure developments
- design and construction of soil and water conservation works
- flood detention basins, drainage works and artificial wetlands
- training in urban erosion and sediment control, access track construction and rehabilitation techniques
- coastal dune stabilisation and beach reclamation.

Consult services are supported by National Association of Testing Authorities (NATA) registered soil and water testing laboratory at Scone and a hydroseeder/hydromulcher unit at Bathurst.

Conservation Earthworks (Works)

Through its plant hire scheme, Works, SCS offers a cost competitive earthmoving service to design and implement soil and water conservation earthworks, setting the industry standard for quality. Services include:

- extensive conservation broadacre banking and waterway systems used to contain and divert runoff to stable disposal areas. These works complement conservation farming practices such as reduced and no-tillage to provide effective control of sheet, rill and gully erosion
- conservation earthworks, including dams, catch banks, waterways, contour banks and integrated watershed soil and water conservation schemes to harvest and store water for domestic use
- grade reducing structures, gully head control, shaping and filling to stabilise actively eroding flow lines
- mine restoration works, access tracks, poly pipe laying, sand dune shaping and other specialist works
- specialist works, such as concrete or rock lined chutes, pipe installation and revegetation.

Operations

These services relate to maintenance of NSW State Government assets on behalf of other government entities on a full cost recovery basis.

- Riverworks – includes maintenance of assets constructed for flood mitigation and prevention under the *Hunter Valley Flood Mitigation Act 1956*. Under Memorandums of Understanding, SCS is offered the work in this program as well as that involved in the construction of new flood mitigation works funded from the Natural Disasters Relief Fund, for repairs to assets damaged by flooding.
- Great North Walk – established in the 1988 bicentennial year as a 250 kilometre walking track between Sydney and Newcastle. The route includes Sydney Harbour, Lake Macquarie and the Newcastle coastline. The walk is managed by SCS with cooperation and assistance of Forests NSW, Department of Environment and Climate Change (DECC) and 14 local councils. The physical on-ground maintenance works are undertaken by divisional staff.

REPORT ON OPERATIONS

Works

Works income (billings plus accrued less prepaid income) at \$5.36m was 22% decrease on last year's income and failed to meet the budgeted income of \$7.2m. This was a disappointing result, although operational costs came in below forecast by 17.3% partially offsetting the impact.

Chargeable plant hours at 766 hours per unit, dropped on 2008/09 (810 hours) and was well below the annual target of 1,300 hours (41%). 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 \$0.45 million as shown in Table 2. Operational units were reduced to 32 bulldozers and two excavators. Approximately 11,493 hectares of land was treated with conservation earthworks including broadacre banks/waterways, dams and sediment detention structures. One new Komatsu PC200LC-8 was added to the fleet during the year at Goulburn.

Consult

Total Consult income (billings plus accrued less prepaid income) for the year at \$19.5m exceeded budgeted income of \$15.8m (23.4%). Consult contract acceptances totalled \$21m (62.7% up) on the previous year's sales of \$12.9m, an outstanding result. SCS successfully bid for a number of preferred contractor and project tenders including work for National Parks (DECCW), Mineral Resources (DII), Sydney Catchment Authority, Transgrid, RTA and Defence. The Department of Education schools ground maintenance program in the Sydney/Newcastle areas contributed significantly to this strong consult result. New staff positions were filled in Parramatta, Coffs Harbour, Grafton and Windsor (three). Recruitment action is current in a further three positions, Parramatta (two) and Moss Vale. Continued strong growth in Consult is an important component of the division's business plan 2008–2019. Further new staff positions will be dependent on improving economic conditions and federal/state infrastructure program works.

Operations

Hunter Valley flood mitigation works and Great North Walk (GNW) programs were completed during the year to the value of \$3m. Riverworks teams successfully sourced additional projects to ensure full operational costs were met, despite a drop in revenue.

Earlier in the year GNW staff assisted Oxfarm in another very successful charity walk event on the track. 2,006 walkers participated with just over \$3.1m raised. In addition to annual maintenance works new boardwalks were constructed at Hornsby, Mt Kuring-gai, Somersby and Cowan. Staff also assisted in flood mitigation works offsetting costs to enable additional maintenance work on the walking track.

FUTURE FOCUS

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

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

- expansion of the Consult business and recruitment of staff to meet demand. (Business plan target \$18.2m, a 15.2% increase on 2009/10 budget figures of \$15.8m, 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 surplus depots, subdivision and sale of land at Orange and Singleton, sales target \$0.75m)
- a staged major plant and equipment replacement program, moving from leased to purchase as funds permit. (Gateway Review complete, tender documentation drafted and Statement of Business Intent signed off by Treasury. Several items of plant identified for purchase)
- reduction in excessive ongoing maintenance and repair costs associated with operating old plant. (staged disposal of old dozers)
- closure of high cost works teams to reduce Works operating losses. (review viability of 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, 2019 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 subject to ongoing review 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 achievement of business plan targets and significant expansion of the consult business augurs well for the ongoing viability of the SCS.

OFFICE OF BIOFUELS REPORT

The world is now using up proven petroleum resources faster than new supplies are being discovered; a situation commonly referred to as 'peak oil'. Australia's oil self-sufficiency is declining even faster. 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 NSW 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 2007 to implement the NSW Government's biofuels program and to support the further development of biofuels strategy.

Aims and objectives

The Office of Biofuels' aims and objectives are to continue 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

Reporting

The Office of Biofuels reports to the Chief Executive of the Land and Property Management Authority.

Biofuels Expert Panel

Members are appointed to the expert panel in accordance with the provisions set out in Section 24 of the *Biofuels Act 2007*. The Act nominates of six members, who hold the office of, or are a respective nominee of, the heads of the Land and Property Management Authority, the Departments of State and Regional Development, Primary Industries, Environment, Climate Change and Water, Services, Technology and Administration, and the Treasury. The Chief Executive of the Land and Property Management Authority, or his nominee, chairs the panel.

Panel meetings

The panel met formally on four occasions during the year.

Report on performance

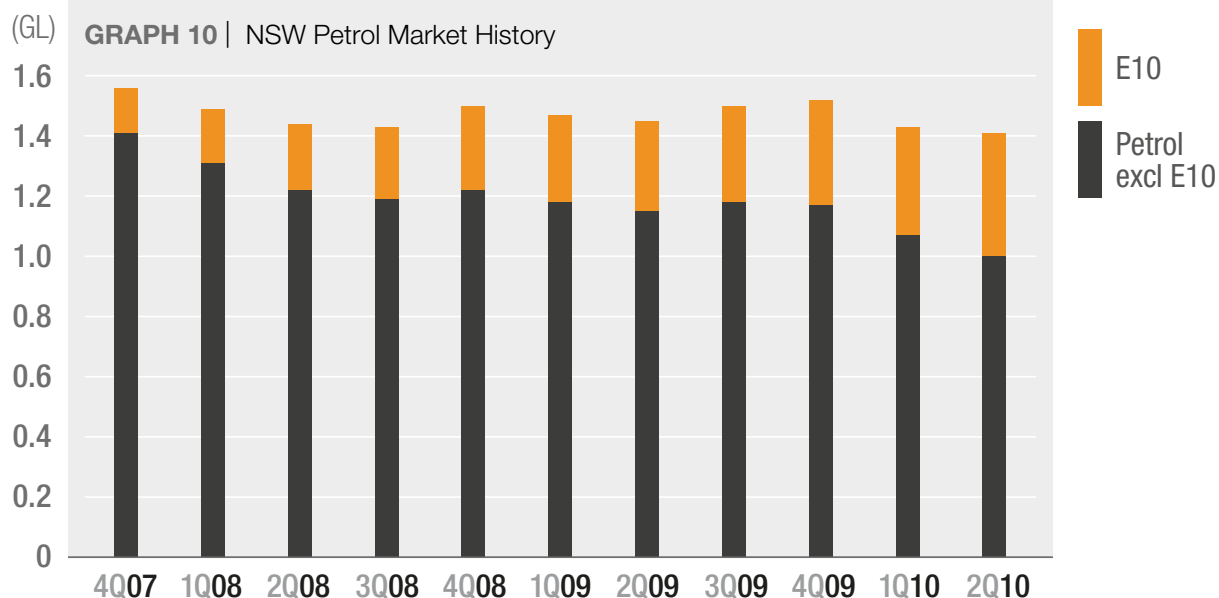
The *Biofuel (Ethanol Content) Act 2007* mandated a minimum 2% average ethanol content in petrol, which was the first stage of the NSW Government's biofuels program. The Act was successfully implemented during 2008, with the average ethanol content of NSW petrol reaching 2% in September 2008.

During 2009/10, the Office of Biofuels implemented the second stage of the biofuels program, embodied in the *Biofuel (Ethanol Content) Amendment Act 2007*, which:

- renamed the original Act to be the *Biofuels Act 2007*
- broadened its application to impose a direct obligation on major retailers
- increased 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
- established a 2% biodiesel mandate from 1 January 2010
- increases the biodiesel mandate to 5% from 1 January 2012
- established sustainability standards for biofuels.

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

The progress of some individual primary wholesalers that have not yet reached the required biofuels content 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 biofuels content as soon as possible. Approximately 30% of all NSW petrol is now E10. 3 billion litres of E10 have been used in NSW since the start of the mandate.



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.

Statutory reporting

Consultants

The Office of Biofuels did not employ any consultants during 2009/10.

Consumer response

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

Ethnic affairs priorities statement

All policies, systems and guidelines relating to ethnic affairs are dealt with as per the authority'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 implements the *Biofuels Act 2007* and the *Biofuels Regulation 2007*.

STATE PROPERTY AUTHORITY

The State Property Authority is the government's corporate real estate service provides specialist industry knowledge and expertise in managing government property. SPA owns 152 buildings and has 84 client agencies.

View the 2009/10 State Property Authority Annual Report at

http://www.lpma.nsw.gov.au/spa/corporate_publications

SYDNEY HARBOUR FORESHORE AUTHORITY

The Sydney Harbour Foreshore Authority is responsible for Sydney's most historically and culturally significant waterfront locations, including The Rocks and Darling Harbour, and over \$1.1 billion in state assets.

View the 2009/10 Sydney Harbour Foreshore Authority Annual Report at

http://www.shfa.nsw.gov.au/sydney-Resource_centre-Annual_reports_2009_10.htm

OFFICE OF STRATEGIC LANDS

The Office of Strategic Lands' primary role is acquisition of land for regional open space and core infrastructure development like the north and southwest rail links. Land is also acquired for regional growth areas such as the Rouse Hill Regional Centre.

View the 2009/10 Office of Strategic Lands Annual Report at <http://www.lpma.nsw.gov.au/osl>

LAKE ILLAWARRA AUTHORITY

The Lake Illawarra Authority is responsible for restoring the ecological environment of Lake Illawarra.

View the 2009/10 Lake Illawarra Authority Annual Report at http://www.lia.nsw.gov.au/about_us#7

CHIPPING NORTON LAKE AUTHORITY

The Chipping Norton Lake Authority is restoring the reaches of the Georges River, the authority has created a vast water-based habitat and recreation area.

View the 2009/10 Chipping Norton Lake Authority Annual Report at http://www.lpma.nsw.gov.au/about_us/cnla

Land and Property Development

Strategic objective

- Developing strategic projects and partnerships to foster growth, investment and renewal.

Our contribution

- LPMA is engaged in a variety of projects which seek to stimulate investment, development and social renewal. These projects may involve partners including local, state and federal government, the private sector and not-for-profit organisations in creating a new community vision, and importantly, delivering solutions to reinvigorate or improve community outcomes by initiating integrated development solutions.
- LPMA's role in these projects can be varied. Solutions may involve leveraging government held land assets to provide for housing, commercial or community facilities, to facilitating land acquisition to provide for infrastructure development.

For information on agency achievements, visit the individual business reports.

HUNTER DEVELOPMENT CORPORATION

The Hunter Development Corporation manages over 1,600 hectares of land in the Hunter region, covering 11 local government areas. Major projects include remediation of the former BHP steelworks at Mayfield and the revitalisation of Newcastle's city centre.

View the 2009/10 Hunter Development Corporation Annual Report at
<http://hunterdevelopmentcorporation.com.au/publications>

FESTIVAL DEVELOPMENT CORPORATION

The Festival Development Corporation fosters ecologically sustainable development at Mt Penang Parklands, near Gosford. Achievements include an event park, sports facilities, gardens and a business park.

View the 2009/10 Festival Development Corporation Annual Report at
http://www.mpp.nsw.gov.au/about_us/publications

COOKS COVE DEVELOPMENT CORPORATION

The Cooks Cove Development Corporation is creating a trade and technology zone, increasing public space and creating a foreshore riverside zone along Cooks River and Muddy Creek. Key partners include SHFA and Rockdale City Council.

View the 2009/10 Cooks Cove Development Corporation Annual Report at
http://www.shfa.nsw.gov.au/sydney-Resource_centre-Annual_reports_2009_10.htm

Financial Statements 30 June 2010

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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Land and Property Management Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Land and Property Management Authority (the Authority), which comprise the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity, statement of cash flows, 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.

Qualified Auditor's Opinion

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to satisfy myself as to the value of Crown reserves, buildings and infrastructure on Crown reserves and coastal infrastructure, the financial statements:

- present fairly, in all material respects, the financial position of the Authority as at 30 June 2010, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

Basis for Qualified Auditor's Opinion

As disclosed in Note 1j(vii) Summary of Significant Accounting Policies, LPMA is undertaking a project to identify and value the Crown reserves it controls. Until that project is completed, I am unable to obtain all the information I require to form an opinion on the value of those Crown reserves that should be recognised as land in the financial statements. I am also unable to obtain all the information I require to form an opinion on the value of buildings and infrastructure on Crown reserves or coastal infrastructure as disclosed in Note 1j(vii) that should be recognised as buildings and infrastructure in the financial statements.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements 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 statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Authority's preparation and fair presentation of the financial statements 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 Authority'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, as well as evaluating the overall presentation of the financial statements.

I believe 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 Authority
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal controls
- about the assumptions used in formulating the budget figures disclosed in the financial statements.

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
- 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.



Peter Achterstraat
Auditor-General

27 October 2010
SYDNEY

LAND AND PROPERTY MANAGEMENT AUTHORITY

Statement by Chief Executive

Pursuant to section 45F (1B) of the *Public Finance and Audit Act 1983* and Section 11 of the *Public Finance and Audit Regulation 2010*, I state that:

- (a) the accompanying financial statements have 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 2010*, the Treasurer's Directions and Australian Accounting Standards (including Australian Accounting Interpretations);
- (b) the financial statements exhibit a true and fair view of the financial position of the Land and Property Management Authority as at 30 June 2010 and its financial performance for the year then ended; and
- (c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



R Costello
Acting Chief Executive
Land and Property Management Authority
26 October 2010

LAND AND PROPERTY MANAGEMENT AUTHORITY

Statement of comprehensive income for the year ended 30 June 2010

	Notes	Actual 2010 \$'000	Budget 2010 \$'000
Expenses excluding losses			
Operating expenses			
Employee related	2(a)	172,187	163,357
Other operating expenses	2(b)	100,024	76,120
Depreciation and amortisation	2(c)	18,950	19,437
Grants and subsidies	2(d)	38,306	47,060
Finance costs	2(e)	649	871
Other expenses	2(f)	126,601	8,380
Total expenses excluding losses		456,717	315,225
Revenue			
Sale of goods and services	3(a)	307,905	246,923
Personnel service revenue	3(b)	23,183	-
Investment revenue	3(c)	7,803	6,510
Retained taxes, fees and fines	3(d)	4,736	6,252
Grants and contributions	3(e)	4,437	37,301
Other revenue	3(f)	21,505	921
Total revenue		369,569	297,907
(Loss) / gain on disposal	4	(100,757)	6,326
Other (losses)	5	(22,189)	(5,238)
Net cost of services		210,094	16,230
Government contributions			
Recurrent appropriation	6	75,720	70,657
Capital appropriation	6	394	394
Acceptance by the Crown Entity of employee benefits and other liabilities	7	4,989	3,591
Transfers to NSW Treasury and payments to the Office of State Revenue	8	(83,190)	(91,388)
Total government contributions		(2,087)	(16,746)
DEFICIT FOR THE YEAR		(212,181)	(32,976)
Other comprehensive income			
Net increase in property, plant and equipment asset revaluation reserve		118,063	-
Superannuation actuarial losses		(43,386)	-
Other comprehensive income for the year		74,677	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(137,504)	(32,976)

The accompanying notes form part of these financial statements.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Statement of financial position as at 30 June 2010

	Notes	Actual 2010 \$'000	Budget 2010 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	10	90,594	88,392
Receivables	11	46,217	39,360
Inventories	12	16,944	39,308
Other financial assets	13	6,246	6,031
Non-current asset held for sale	14	444	576
Total current assets		160,445	173,667
Non-current assets			
Receivables	11	36,563	22,293
Inventories	12	20,460	43,295
Other financial assets	13	22,075	20,874
Property, plant and equipment	15		
Land and buildings		6,132,312	6,356,792
Plant and equipment		20,228	20,219
Infrastructure systems		26,816	28,133
Total property plant and equipment		6,179,356	6,405,144
Intangible assets	16	30,706	29,283
Total non-current assets		6,289,160	6,520,889
TOTAL ASSETS		6,449,605	6,694,556
LIABILITIES			
Current liabilities			
Payables	18	65,297	44,570
Borrowings	19	1,844	1,627
Provisions	20	1,042,233	1,067,097
Other	21	201	-
Total current liabilities		1,109,575	1,113,294
Non-current liabilities			
Borrowings	19	4,916	10,368
Provisions	20	193,385	143,681
Other	21	6,930	11,874
Total non-current liabilities		205,231	165,923
TOTAL LIABILITIES		1,314,806	1,279,217
NET ASSETS		5,134,799	5,415,339
EQUITY			
Reserves		118,063	-
Accumulated funds		5,016,736	5,415,339
TOTAL EQUITY		5,134,799	5,415,339

The accompanying notes form part of these financial statements.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Statement of changes in equity for the year ended 30 June 2010

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total Equity \$'000
Balance at 1 July 2009		-	-	-
Deficit for the year		(212,181)	-	(212,181)
Other comprehensive income:				
Increase in property, plant and equipment by assets revaluation	15	-	118,063	118,063
Superannuation actuarial losses	20	(43,386)	-	(43,386)
Total other comprehensive income		(43,386)	118,063	74,677
Total comprehensive income for the year		(255,567)	118,063	(137,504)
Transactions with owners in their capacity as owners				
Increase in net assets from equity transfers as a result of administrative restructuring on 1 July 2009	22	5,275,675	-	5,275,675
Decrease in net assets from equity transfers during the year	23	(3,372)	-	(3,372)
Balance at 30 June 2010		5,016,736	118,063	5,134,799

The accompanying notes form part of these financial statements.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Statement of cash flows for the year ended 30 June 2010

	Notes	Actual 2010 \$'000	Budget 2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		(172,947)	(164,714)
Grants and subsidies		(40,684)	(22,919)
Finance costs		(649)	(855)
Other		(119,211)	(102,250)
Total Payments		(333,491)	(290,738)
Receipts			
Sale of goods and services		309,722	249,194
Personnel services revenue		24,505	-
Retained taxes, fees and fines		4,725	-
Interest received		5,362	5,830
Other		10,262	37,292
Total Receipts		354,576	292,316
Cash Flows from Government			
Recurrent appropriation		75,900	70,657
Capital appropriation (excluding equity appropriations)		394	394
Cash transfers to the Consolidated Fund		(72,492)	(85,401)
Net Cash Flows from Government		3,802	(14,350)
NET CASH FLOWS FROM OPERATING ACTIVITIES	27	24,887	(12,772)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of land and buildings, plant and equipment and infrastructure systems		23,169	29,612
Purchases of land and buildings, plant and equipment and infrastructure systems		(19,953)	(19,644)
Advances repayments received		6,063	2,780
Advances made		(8,475)	(2,212)
NET CASH FLOWS FROM INVESTING ACTIVITIES		804	10,536
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings and advances		-	-
Repayment of borrowings and advances		(1,685)	(566)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(1,685)	(566)
NET INCREASE / (DECREASE) IN CASH		24,006	(2,802)
Opening cash and cash equivalents		-	-
Cash transfer in as a result of administrative restructure		66,588	91,194
CLOSING CASH AND CASH EQUIVALENTS	10	90,594	88,392

The accompanying notes form part of these financial statements.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Supplementary financial statements Service group statements for the year ended 30 June 2010

	Crown Land Service ⁽²⁾	SCS and Rural Service ⁽²⁾	Personnel Services ⁽²⁾	Commercial activity LPI ⁽²⁾	Commercial activity CLE ⁽²⁾	Commercial activity LDWA ⁽²⁾	Commercial activity CLHP ⁽²⁾	Not Attributable	Total
EXPENSES & INCOME	2010 \$'000	2010 \$'000	2010 \$'000	2010 \$'000	2010 \$'000	2010 \$'000	2010 \$'000	2010 \$'000	2010 \$'000
Expenses excluding losses									
Operating expenses									
* Employee related	41,393	12,074	20,689	98,020	-	11	-	-	172,187
* Other operating expenses	12,512	18,002	272	48,242	927	3,629	16,440	-	100,024
Depreciation and amortisation	1,485	497	-	16,965	-	3	-	-	18,950
Grants and subsidies	11,297	7,468	-	2,204	17,337	-	-	-	38,306
Finance costs	649	-	-	-	-	-	-	-	649
Other expenses	6,969	-	-	3,520	116,112	-	-	-	126,601
Total Expenses excluding losses	74,305	38,041	20,961	168,951	134,376	3,643	16,440	-	456,717
Revenue									
Sale of goods and services	7,847	28,089	-	188,709	56,599	4,969	21,692	-	307,905
Personnel services	549	41	22,261	332	-	-	-	-	23,183
Investment revenue	2,265	297	-	1,358	2,634	-	1,249	-	7,803
Retained taxes, fines and fees	4,736	-	-	-	-	-	-	-	4,736
Grants and contributions	3,848	-	-	88	501	-	-	-	4,437
Other revenue	1,640	57	-	5	19,803	-	-	-	21,505
Total Revenue	20,885	28,484	22,261	190,492	79,537	4,969	22,941	-	369,569
Gain / (Loss) on disposal	(18)	470	-	(169)	(101,040)	-	-	-	(100,757)
Other gains / (losses)	(60)	(32)	-	54	(22,197)	46	-	-	(22,189)
Net Cost of Services	53,498	9,119	(1,300)	(21,426)	178,076	(1,372)	(6,501)	-	210,094
Government contributions (3)								(2,087)	(2,087)
SURPLUS / (DEFICIT) FOR THE YEAR	(53,498)	(9,119)	1,300	21,426	(178,076)	1,372	6,501	(2,087)	(212,181)
Other comprehensive income									
Increase / (decrease) in asset revaluation reserve	(53)	(2,617)	-	3,961	116,772	-	-	-	118,063
Superannuation actuarial gains / (losses)	-	(2,529)	(3,039)	(37,818)	-	-	-	-	(43,386)
Total other comprehensive income for the year	(53)	(5,146)	(3,039)	(33,857)	116,772	-	-	-	74,677
TOTAL COMPREHENSIVE INCOME	(53,551)	(14,265)	(1,739)	(12,431)	(61,304)	1,372	6,501	(2,087)	(137,504)
ASSETS & LIABILITIES									
Current Assets									
Cash and cash equivalents	7,841	1,199	-	53,271	14,675	3,908	9,700	-	90,594
Receivables	3,251	17,656	2,058	10,495	11,546	980	231	-	46,217
Inventories	-	127	-	141	-	521	16,155	-	16,944
Other financial assets	6,246	-	-	-	-	-	-	-	6,246
Non-current assets held for sale	60	384	-	-	-	-	-	-	444
Total current assets	17,398	19,366	2,058	63,906	26,221	5,409	26,086	-	160,445
Non-current Assets									
Receivables	-	16,356	-	-	20,119	-	88	-	36,563
Inventories	-	-	-	1,422	-	5,197	13,841	-	20,460
Other financial assets	22,075	-	-	-	-	-	-	-	22,075
Property, plant & equipment	37,237	21,874	-	100,769	6,019,473	3	-	-	6,179,356
Intangibles	217	-	-	30,489	-	-	-	-	30,706
Total non-current assets	59,529	38,230	-	132,680	6,039,592	5,200	13,929	-	6,289,160
TOTAL ASSETS	76,927	57,596	2,058	196,586	6,065,813	10,609	40,015	-	6,449,605
Current liabilities									
Payables	3,618	6,650	-	37,080	16,431	260	1,259	-	65,297
Borrowings	1,844	-	-	-	-	-	-	-	1,844
Provisions	5,890	17,368	-	51,737	966,049	-	1,189	-	1,042,233
Other	201	-	-	-	-	-	-	-	201
Total current liabilities	11,553	24,018	-	88,817	982,480	260	2,448	-	1,109,575
Non-current liabilities									
Borrowings	4,916	-	-	-	-	-	-	-	4,916
Provisions	124	23,952	-	168,982	-	-	327	-	193,385
Other	-	-	-	-	-	-	6,930	-	6,930
Total non-current liabilities	5,040	23,952	-	168,982	-	-	7,257	-	205,231
TOTAL LIABILITIES	16,593	47,970	-	257,799	982,480	260	9,705	-	1,314,806
NET ASSETS	60,334	9,626	2,058	(61,212)	5,083,334	10,349	30,310	-	5,134,799

1. Service group statements focus on the key measures of service delivery performance.

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

3. Appropriations are made on an agency basis and not to individual service groups. Consequently government contributions must be included in 'Not Attributable' column.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Summary of compliance with financial directives

	2010			
	RECURRENT APP'N \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000	CAPITAL APP'N \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE				
* Appropriation Act	-	-	-	-
* S 24 PF 7 AA - transfers of functions between departments	70,657	69,785	394	394
	70,657	69,785	394	394
OTHER APPROPRIATIONS / EXPENDITURE				
* Treasurer's Advance	6,105	6,105	-	-
Transfers to/from another agency (S28 of the Appropriation Act)	(170)	(170)		
	5,935	5,935	-	-
Total Appropriations	76,592	75,720	394	394
Expenditure / Net Claim on Consolidated Fund (including transfer payments)		75,720		394
Amount drawn down against Appropriation		75,921		394
Liability to Consolidated Fund		201		-

Notes:

- 1 The summary of compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed)
- 2 The Liability to Consolidated Fund represents the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure / Net claim on Consolidated Fund"

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

1. Summary of significant accounting policies

a. Reporting entity

The Land and Property Management Authority (LPMA), as a reporting entity, was created on 1 July 2009, following NSW government restructures. It is responsible for delivering outcomes across three core areas of land and property information, land and property management and conservation and land and property development.

Land and property information activities are operated as a non budget-dependent activity through Land and Property Information (LPI).

Semi-commercial conservation and land management services are operated through Soil Conservation Service (SCS).

Management and development of Crown land is operated through budget dependent Crown Lands Division (CLD) and includes tenure management for properties under lease and licence. Land development activities on Crown lands in the Sydney, Hunter and Illawarra regions are undertaken by Landcom, on behalf of LPMA, but are reported within the LPMA financial statements.

The Office of Strategic Lands (OSL) undertakes the acquisition, management and divestiture of land. LPMA primarily operates in New South Wales, Australia.

LPMA is a NSW Government department. LPMA 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 as part of the NSW Total State Sector Accounts.

These financial statements for the year ended 30 June 2010 have been authorised for issue by the Chief Executive on the date on which the accompanying statement by the acting Chief Executive was signed.

b. Administrative restructure

LPMA was created, with effect from 1 July 2009, as a result of the *Public Sector Employment and Management (Department Amalgamations) Order 2009* from:

- the former Department of Lands
- staff of the Office of State Property Authority, Hunter Development Corporation, Office of Biofuels and Lake Illawarra Authority.

Public Sector Restructure (MMA) Act 2009 dated 30 November 2009 transferred staff of the Office of Strategic Lands (OSL) from the Department of Planning to LPMA with effect on 1 July 2009.

Public Sector Employment and Management (Land and Property Management Authority) Order 2010 transferred the Office of Rural Affairs from LPMA to Department of Industry and Investment, with effect 19 March 2010.

Public Sector Employment and Management (SHFA) Order 2010 abolished the Office of Sydney Harbour Foreshore Authority and moved all its branches to LPMA, with effect on 4 June 2010.

A letter from the NSW Treasurer dated 13 May 2010 clarified that the functions of the Crown Leaseholds Entity (CLE), Land Development Working Account (LDWA), Crown Lands Homesites Program (CLHP) and Crown Reserves were transferred to LPMA with effect from 1 July 2009.

c. Basis of preparation

LPMA's financial statements are general purpose financial statements, which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation

- 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 and assets (or disposal groups) held for sale are measured at fair value. Other financial statement 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 statements.

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

d. Statement of compliance

LPMA's financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

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 not-for-profit general government sector agencies.

f. Insurance

LPMA'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)

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

- the amount of GST incurred by LPMA 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

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

1. Summary of significant accounting policies (continued)

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

- 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 statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are 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 are discussed below.

(i) Parliamentary appropriations and contributions

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

An exception to the above is when appropriations are unspent at year end. Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.

The liability for unspent appropriations is disclosed in note 21

as part of 'Current/Non-Current Liabilities – Other'. The amount will be repaid and the liability will be extinguished next financial year.

(ii) Sale of goods

Revenue from the sale of goods is recognised as revenue when LPMA 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) Sale of land

(a) Sale of land

Revenue from the sale of developed and undeveloped land is recognised on settlement when LPMA transfers the significant risks and rewards of ownership of the assets. A 10% deposit of the sale price is normally paid on the date of exchange of contract and is recognised as a liability until the settlement of the sale.

(b) Sale of surplus land controlled by other government agencies

LPMA acts as an agent for other government agencies in regard to the sale of surplus Crown land. After deducting LPMA's selling expenses, the proceeds from the sale are remitted to the selling government agency, which is responsible for transferring any Crown share of proceeds to the Consolidated Fund. These proceeds are therefore not recognised as revenue in these financial statements.

(c) Land declared to be Crown land

Land declared to be Crown or returned to Crown is recognised at fair value upon publication of the notice in the NSW Government Gazette.

(d) Land acquisition sales

Revenue from land acquisition sales, for Crown land acquired by

other government agencies and local governments, is recognised upon the publication of the acquisition notice in the NSW Government Gazette.

(v) 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. Dividend revenue is recognised in accordance with AASB 118 when the agency's right to receive payment is established.

i. Cost of sales

The cost of sales includes the cost of land for land sales and development costs incurred in bringing the land to the 'developed land' stage.

j. Assets

(i) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by LPMA. 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 (see also assets transferred as a result of an equity transfer – note 1(n)).

Notes to the financial statements for the year ended 30 June 2010

1. Summary of significant accounting policies (continued)

j. Assets (continued)

(i) Acquisition of assets (continued)

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

(ii) Land assets

LPMA has three broad categories of land which are reported as assets.

(a) Crown land under tenure

Crown land under tenure represents all parcels of Crown land which have a lease, license, permissive occupancy or enclosure permit in place.

(b) Untenured Crown land

Untenured Crown land includes all parcels of Crown land, except for those with tenure arrangements in place or Crown reserves under management by reserve trusts. Untenured Crown land includes Crown reserves for which no formal trust has been established, unoccupied Crown land, certain Crown roads, land granted under Aboriginal land claims awaiting transfer, waterways and New South Wales land on the continental shelf within the three nautical mile zone.

(c) Authority land

These are parcels of land where LPMA building assets are situated. These lands form part of the other land and buildings asset category.

(iii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised. Individual items of computer equipment costing \$1,000 and above are capitalised when they form part of a network.

(iv) 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.

LPMA 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.

Crown land assets are revalued annually by Valuation Services within LPMA.

LPMA revalued its other land and building assets at 30 June 2010 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 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 revalued, is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

The method of revaluing the Crown land assets utilises mass valuation techniques, for the two broad categories of Crown land which are reported as assets.

Notes to the financial statements for the year ended 30 June 2010

1. Summary of significant accounting policies (continued)

j. Assets (continued)

(iv) Revaluation of property, plant and equipment (continued)

(a) Land under tenure

LPMA's interest in land under tenure is limited by the existence of agreements, which in many cases will deny LPMA occupancy of the land for many years or even in perpetuity. LPMA's interest in these tenures is generally limited to the right to receive the income stream from the rentals combined with (in the case of term leases) the present value of the market value of the land deferred for the lease term.

Consequently, the basis of valuation is capitalisation of the income stream from the different classifications of land within each local government area (LGA), appropriately taking into account the conditions attached to the leases.

In 2007, individual capitalisation rates were determined by the valuers for different types of tenure arrangements within different LGAs. These were in the range of 2% to 12% and applied to the income stream to determine the land values.

In revaluing the land in 2008, 2009 and 2010, a single value movement factor was determined for each LGA, to capture the overall annual movement of capitalisation rates. The factor was determined by the valuers from general market analysis and research of each LGA. This factor was applied to the capitalisation rate for each category of land in the LGA. The revised rate was then applied to the total income for each tenure type to determine the revised land values.

The only exception to this relates to Crown land under enclosure

permit, which is valued on the same basis as untenured Crown land.

(b) Untenured Crown land

The determination of global rates per hectare for a variety of land classifications for each LGA is considered the most appropriate approach to determine a value for untenured Crown land. This methodology has the advantages of being a practical way to cost effectively arrive at a market based value for lands where the LPMA holds full interest.

In 2007 a valuation rate per hectare was provided for each land category type, within each LGA. The land was valued at the highest and best use taking into account zoning and other restrictions, access to services, infrastructure and property market demand. These value elements were considered in a global way when formulating a level to apply to the particular land category. The rates per hectare for each land category were determined following a consideration of sales of comparable land in the locality. Where significantly different classes of land were identified within a category, these were accounted for in compiling the overall rate per hectare for the land category.

In revaluing the land in 2008, 2009 and 2010, a single value movement factor was determined for each LGA, to capture the overall annual land movement. The factor was determined by the valuers from general market analysis and research of each LGA. This factor was applied to the rate per hectare for each Crown land type within each LGA, to determine the revised valuation.

(v) Recognition of land under roads

The LPMA has recognised land under roads at a value per hectare rate based on the value of adjoining

land. As per Treasury Circular 10/07 *Land Under Roads*, where an agency previously recognised and is continuing to recognise land under roads, the same valuation methodology used in 2007/08 must be applied to all land under roads, until otherwise advised. The LPMA has elected to continue to recognise land under roads under the same valuation methodology used in 2007/08 by CLE. As such, the introduction of AASB 1051 *Land Under Roads* has no effect on the asset base of LPMA.

(vi) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, LPMA 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.

(vii) Assets not able to be reliably measured

LPMA holds certain assets that have not been recognised in the statement of financial position because LPMA is unable to reliably measure the value of the assets. These are assets within the Crown land estate, which have been managed as public assets for many years and include Crown reserve land, buildings and other infrastructure.

Prior to the formation of LPMA in 2009/10, these assets were part of the NSW Crown Entity reporting entity. They were formally transferred to LPMA with effect from 1 July 2009, upon advice from the NSW Treasurer dated 13 May 2010.

LPMA is part way through a multi year project to address the issues of reliable measurement of Crown reserve land. The current project stages are anticipated to be predominantly finalised during the 2010/11 financial year.

Notes to the financial statements for the year ended 30 June 2010

1. Summary of significant accounting policies (continued)

j. Assets (continued)

(vii) Assets not able to be reliably measured (continued)

There are approximately 33,000 Crown reserves in New South Wales. Many of these land assets are not presently included within LPMA asset values, due to uncertainty over who controls them from an accounting standard perspective. The management of these Crown land assets is carried out in a variety of ways, including through other government agencies, statutory bodies, local councils, community reserve trusts and trust administrators. Due to this variety of management regimes, the question of accounting control is still to be resolved. Many of these assets are already subject to reporting outside of LPMA financial statements, but not within the total state sector accounts.

Following previous audit qualification, a study is presently underway to determine the questions of appropriate accounting control and the reporting entity requirements. It is anticipated that the outcome of this study will be factored into reporting for the 2010/11 financial year.

In order to separately identify the Crown reserves, it has been estimated that the current LPMA project will require the formal identification and valuation of approximately 70,000 parcels of land. At 30 June 2010, over 57,000 parcels had been formally identified and converted to the state's Integrated Titling System. Approximately 23,000 Crown reserves had been valued on either a mass or individual basis, but due to the questions over control and measurement, the Crown reserves with trust managers in place are not recognised in the statement of financial position.

Based on preliminary assessment, it is currently estimated that the total value of Crown reserve land on

which the question of control is yet to be determined and therefore not currently recognised by LPMA, is between \$3 billion and \$5 billion. However, the total value may even be outside of this range, depending on the determination of control and valuation outcomes.

Buildings and infrastructure assets that are located on Crown land are not presently included within LPMA asset values. The reasons for this include the overall question of control. In a number of situations, NSW government funds might not have been provided to build the assets, with funding instead coming from local councils, community programs or businesses. If a reserve trust was dissolved, any built assets on the land would return to the Crown land estate. However a reserve trust may also organise for the removal of the built assets prior to dissolution. As a result, there is currently no certainty over the control of assets that are being managed by external parties.

As part of the current LPMA project, indicative valuation ranges are being collected for buildings and infrastructure on Crown reserves. At 30 June 2010 approximately 63% of the higher valued parcels of land had been assessed for an indication of asset values. Based on the preliminary assessment, it is currently estimated that the total value of buildings and infrastructure on Crown reserves would be in the range of \$4 billion to \$5.5 billion. However, the figure could be outside this range and may not all be attributable to assets controlled by LPMA.

Other infrastructure is in place on Crown land, which has been built over many decades and is not presently included within LPMA asset values. Examples are coastal infrastructure and redundant minor dams on Crown land. Obtaining a reliable valuation in many cases is hampered by lack of data on costs, no active market value or feasible alternative uses of the assets and the size and nature of the Crown estate.

It is difficult in these circumstances to obtain cost effective valuations on these assets.

In relation to the coastal infrastructure, LPMA has responsibility for the management of a portfolio of maritime assets at some 40 locations along the NSW coast. The value of these assets is difficult to accurately assess and some of the land may be subject to tenure arrangements. These assets consist of breakwaters, training walls, sheltering harbours, wharves and lighthouses. Where the land is not under a tenure arrangement or a reserve with a trust manager, the land value is included in the untenured Crown land valuation, but the other infrastructure is not currently recognised as separate assets. Approximately \$2.8 million was spent by LPMA on maintaining these coastal infrastructure assets in the reporting period.

In relation to the redundant minor dams which sit on Crown land, these items do not generate any future economic benefit to LPMA. The land value is included in the untenured Crown land valuation, but the dams are not recognised as separate assets. Approximately \$55,000 was spent by LPMA on maintaining the dams in the reporting period. Some minor dams are heritage listed.

(viii) 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 LPMA.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

1. Summary of significant accounting policies (continued)

j. Assets (continued)

(viii) Depreciation of property, plant and equipment (continued)

The normal life expectancies of major asset categories are as follows:

Asset class	No of years
Buildings	40
Leasehold improvements	Life of lease
Plant and equipment	5-15
Computers	4
Motor vehicles	5
Marine craft	5
Furniture and major fitouts	10
Infrastructure systems	50

Land is not a depreciable asset. Certain heritage assets may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation.

The decision not to recognise depreciation for these assets is reviewed annually.

(ix) 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.

(x) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(xi) 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.

(xii) 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. LPMA does not have any finance leases.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

(xiii) Intangible assets

LPMA 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 LPMA 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 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 intangible assets, the assets are carried at cost less any accumulated amortisation.

LPMA's intangible assets are amortised using the straight line method over a period of four years, for software and internally developed software.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(xiv) Loans and receivables

Loans and 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 surplus/deficit for the year 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.

Notes to the financial statements for the year ended 30 June 2010

1. Summary of significant accounting policies (continued)

j. Assets (continued)

(xv) Inventories

Inventories held for distribution are stated at cost and adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount.

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 LPMA 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.

Land development inventories (refer to note 12) include land development projects at different stages of completion and comprise developed land for sale, works in progress (land under development) and undeveloped land.

Inventories held for sale are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost or "first in first out" method.

Registered valuers are engaged in determining the net realisable value of property where there is an indication that the net realisable value may have fallen below cost. All direct development expenditures and appropriate development overheads are charged to the relevant projects.

Developed land is land which has been subdivided and registered on completion of all development activity.

Land for sale as developed land is recognised initially as inventory at the time the decision is made to develop

the land. The value of the land is measured at fair value on acquisition as determined by registered valuers.

Work in progress (land under development) represents land that has been subdivided into precincts and where development activity relating to the precinct has commenced.

Current developed land and work in progress is expected to be sold within the next twelve months.

Undeveloped land consists of land holdings where no development has taken place and land holdings where estate major work activity has been undertaken. It excludes precincts on which development activity has commenced. Undeveloped land is classified as a non-current asset.

(xvi) Impairment of financial assets

All 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 LPMA 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 surplus / (deficit) for the year.

Any reversals of impairment losses are reversed through the surplus / (deficit) for the year, 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.

(xvii) De-recognition 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 if LPMA transfers the financial asset:

- where substantially all the risks and rewards have been transferred, or
- where LPMA has not transferred substantially all the risks and rewards, if LPMA has not retained control.

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

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

(xviii) Non-current assets (or disposal groups) held for sale

LPMA has certain non-current assets (or disposal groups) classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets (and disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are held for sale.

(xix) Trust funds

LPMA receives moneys as security deposits held in trust in relation to Crown land tenures. LPMA performs only a custodial role in respect of these moneys and the moneys cannot be used for the achievement of the agency's own objectives. Please refer to note 18.

Notes to the financial statements for the year ended 30 June 2010

1. Summary of significant accounting policies (continued)

j. Assets (continued)

(xx) Other financial assets

The Public Reserves Management Fund (PRMF) provides low interest loans to Crown land reserves with terms ranging from five years to 20 years. These 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. The fair value of the long term loans are estimated as the present value of all future cash receipts, discounted using the NSW TCorp Government bond rate at the commencement date of the loans, for the relevant term of the loans. Any changes are accounted for in the surplus / (deficit) for the year when impaired, derecognised or through the amortisation process.

(xxi) Other assets

Other assets are recognised on a cost basis.

(xxii) Restricted assets

Legislation or Treasurer's Directions impose restrictions on the use of certain assets of LPMA.

LPMA 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 (refer to note 17(a)). The PRMF was established by the *Public Reserves Management Fund Act 1987*.

LPMA administers the Torrens Assurance Fund (TAF). The TAF was established under s134 (1) of the

Real Property Act 1900 as a Special Deposits Account administered by the Registrar General. A portion of certain property transactions is allocated to TAF revenue. TAF expenses are paid by LPMA from these funds.

k. Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to LPMA 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 surplus / (deficit) for the year on de-recognition.

Finance lease liabilities are determined in accordance with AASB 117 *Leases*.

(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

12 months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on government bonds of 4.44% as at 30 June 2010 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

LPMA's liabilities (apart from the commercial and semi-commercial activities) for long service leave and defined benefit superannuation are assumed by the Crown Entity. LPMA 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'.

Notes to the financial statements for the year ended 30 June 2010

1. Summary of significant accounting policies (continued)

k. Liabilities (continued)

(iii) Employee benefits and other provisions (continued)

(b) Long service leave and superannuation (continued)

LPMA's semi-commercial activity is a member of the Non-Budget Long Service Leave (LSL) Pool. LPMA 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. LPMA is reimbursed by the NSW Treasury for long service leave payments made. LPMA's long service leave liability and equivalent asset are recognised in the statement of financial position as the reimbursement from the Non-Budget LSL Pool is 'virtually certain'.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 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.

LPMA's commercial activities' 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 LPMA does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

The superannuation expense for LPMA's budget dependent section for the financial year is 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.

LPMA's commercial and semi-commercial 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. The defined benefit obligation recognised in the statement of financial position 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: LPMA 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 LPMA 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.

(a) Aboriginal Land Rights Act 1983

LPMA has provided for the liability of land claims which have been granted to Local Aboriginal Land Councils under the *Aboriginal Land Rights Act 1983* as at 30 June 2010, but not yet transferred. The amount, representing the fair value of land granted based on estimate size of the land, is expensed when granted. Until the land is surveyed, the precise area to be transferred is unknown.

These parcels of land remain under the care, control and management of the Crown pending formal land boundary surveys being undertaken so that freehold title can be prepared. Once this action occurs, freehold title can be issued to the respective Local Aboriginal Land Councils and the value transferred from the provision.

Notes to the financial statements for the year ended 30 June 2010

1. Summary of significant accounting policies (continued)

k. Liabilities (continued)

(iv) Other provisions (continued)

(b) Provision for rebates

Provision for rebates is recognised when certain lots are sold. As part of the condition of sale, LPMA may be committed to make a payment to the purchaser provided certain design criteria are met and applied for within a specified period by the purchaser, usually between 18-24 months. This payment represents reimbursement for additional costs incurred by the purchaser in complying with the design criteria set by Landcom.

l. Contribution to Consolidated Fund

LPMA operates a number of commercial activities which make contributions to the Consolidated Fund of NSW, under differing arrangements.

The LPI commercial activity operates under the NSW Treasury Commercial Policy Framework. From this operation LPMA pays contributions, based on the dividend and income tax equivalents methodology. Tax effect accounting is not required to be applied. Income tax equivalents are calculated by applying the prevailing company tax rate to profits earned by LPI, after adjusting for any superannuation gain or loss impacting the statement of comprehensive income and cash paid to defined benefit superannuation plans. Contributions were paid at the rate of 100% of after tax adjusted profit, in two equal instalments in August and December 2009.

Crown land sale proceeds and lease income received by LPMA is distributed to the Consolidated Fund on a monthly basis. These distributions are net of related costs

paid and do not include moneys held as deposits, held in trust, or funds which have yet to be credited against customer accounts.

In relation to the LDWA commercial activity, LPMA pays an annual contribution, calculated at 100% of the accounting profit at financial year end, subject to maintenance of a minimum working capital limit.

In relation to the Crown Lands Homesites Program (CLHP) commercial activity, LPMA is required to pay an annual contribution, based on any cash over and above working capital requirements, as determined annually.

m. Equity and reserves

(i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, including land assets. This accords with the LPMA's policy on the revaluation of property, plant and equipment as discussed in note 1(j)(iv).

(ii) Accumulated funds

The category accumulated funds includes all current and prior period retained funds.

n. Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of departments/functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'accumulated funds'.

This treatment is consistent with AASB 1004 Contributions and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit

government departments are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, LPMA recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, LPMA does not recognise that asset.

o. Comparative information

LPMA, as a reporting entity was created on 1 July 2009. Therefore no comparative information is disclosed except for the notes related to the administrative restructure.

p. 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 statement of comprehensive income and the statement of cash flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above).

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

1. Summary of significant accounting policies (continued)

p. Budgeted amounts (continued)

However in the statement of financial position the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts, i.e. as per the audited financial statements (rather than carried forward estimates).

q. New Australian Accounting Standards issued but not effective

The following new Accounting Standards or Amendments and Interpretations have not been applied and are not yet effective for the period ending 30 June 2010. NSW Treasury TC 10/08 has mandated that agencies do not early adopt any of the new standards and interpretations.

- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual periods beginning on or after 1 January 2010)
- AASB 2009-8 *Amendments to Australian Accounting Standards - Group Cash-Settled Share-based Payment Transactions [AASB 2]* (effective for annual periods beginning on or after 1 January 2010)
- AASB 2009-10 *Amendments to Australian Accounting Standards - Classification of Rights Issues* (effective 1 February 2010)
- AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective for annual reporting periods beginning on or after 1 January 2013).
- *Interpretation 19 Extinguishing financial liabilities with equity instruments* and AASB 2009-13 *Amendments to Australian*

Accounting Standards arising from Interpretation 19 (effective 1 July 2010)

- AASB 2009-14 *Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement* (effective 1 January 2011).
- AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective 1 July 2013)
- AASB 2009-9 regarding first time adoption; The amendments address the retrospective application of Australian Accounting Standards to ensure that entities applying Australian Accounting Standards for the first time will not face undue cost or effort in the transition process in particular situations. (effective for annual periods beginning on or after 1 January 2010)
- AASB 124 and AASB 2009-12 regarding related party transactions The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. (effective for accounting periods beginning on or after 1 January 2011)
- AASB 2010-1 regarding AASB 7 comparatives for first time adopters. First-time adopters of Australian Accounting Standards are permitted to use the same transition provisions permitted for existing preparers of financial statements prepared in accordance with Australian Accounting Standards that are included in AASB 2009-2. (This Standard applies to annual reporting periods beginning on or after 1 July 2010).
- AASB 2010-3 *Amendments to Australian Accounting Standards*

arising from the Annual Improvements Project and AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual periods beginning on or after 1 July 2010/1 January 2011)

It is considered that the impact of these standards and interpretations in future periods will have no material impact on the financial statements of LPMA.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

2. Expenses excluding losses

a. Employee related expenses

	2010
	\$'000
Salaries and wages (including recreation leave)	140,338
Superannuation – defined benefit plans	5,909
Superannuation – defined contribution plans	5,984
Long service leave	8,539
Workers' compensation insurance	1,442
Payroll tax and fringe benefits tax	9,074
Redundancies	427
Other on-costs	474
	172,187

\$2.762m of employee related costs have been capitalised, related to internally developed intangible assets and is therefore excluded from the above.

b. Other operating expenses

Valuation services contractors	18,865
Cost of sales	18,031
Consultancies and other contractors	21,925
Motor vehicle expenses	7,532
EDP – Information technologies services	5,193
Administration	4,567
Maintenance - note 2(b)(i)	3,417
Promotion, publicity and events management	1,643
Travel expenses	1,828
Telecommunication expenses	2,130
Operating lease rental expense - minimum lease payments	2,888
Cleaning and utilities	2,464
Legal fees	2,668
Staff development and other costs	1,728
Insurance	1,617
Freight and postage	857
Auditor's remuneration - audit of financial statements	459
Land taxes	533
Furniture, plant and equipment	658
Other	1,021
	100,024

The audit fee for the audit of LPMA's 2010 financial statements is \$0.423m.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

2 Expenses excluding losses (*continued*)

b. Other operating expenses (*continued*)

(i) Reconciliation of maintenance expenses:

	2010
	\$'000
Maintenance expenses – contracted labour and other (non-employee related) - included in note 2(b)	3,417
Employee related maintenance expenses - included in note 2(a)	196
Total maintenance expenses - included in note 2(a) and 2(b)	3,613

c. Depreciation and amortisation expense

Depreciation of:

Buildings	775
Plant and equipment	5,414
Infrastructure systems	658
Total depreciation	6,847

Amortisation of intangible assets	12,103
	18,950

The Queens Square building in Sydney and seven other buildings in country NSW are classified as heritage buildings. 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 have been 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 not recognised for these buildings.

d. Grants and subsidies

Lease waivers	16,910
Public Reserve Management Fund grants	7,102
Hunter Development Corporation	5,878
Wild Dog Destruction Board	1,223
State Park Trusts	1,520
State Property Authority	1,200
Grant expense on low interest loan	1,453
Grants to other organisations	3,020
	38,306

e. Finance costs

Interest	573
Unwinding of discount rate	76
	649

The \$0.573m interest expense relates to borrowing costs for the Tweed River Entrance Sand Bypassing Project managed by LPMA.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

2 Expenses excluding losses (*continued*)

f. Other expenses

	2010
	\$'000
Aboriginal Land Council (ALC) claims granted	116,112
Fishing Port Maintenance	2,778
Tweed River Entrance Sand Bypassing Project	4,136
Torrens Assurance Fund	3,520
Minor dams expenditure	55
	126,601

The ALC granted amount is split by \$67.672m granted and \$48.440m revaluation and other changes in estimate. The ALC provision revaluation amount adjusts the provision, to reflect the outcome of the land asset revaluations and other changes of estimates ((refer to note 20(b)).

3. Revenue

a. Sale of goods and services

	2010
	\$'000
Sale of goods	
Land development	26,319
Mapping	2,928
Other	2,124
	31,371
Rendering of services	
Leases and Licences	
Lease and licences revenue	60,579
Less: rebates	(5,458)
	55,121
Titling	141,948
Valuation	38,352
SCS services	26,487
Corporate services	4,614
Torrens Assurance Fund	3,121
Fees for services	3,950
Other	2,941
	276,534
Total sale of goods and rendering of services	307,905

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

3. Revenue (continued)

b. Personnel service revenue

	2010
	\$'000
State Property Authority	15,778
Sydney Harbour Foreshore Authority	2,846
Hunter Development Corporation	2,831
Corporation Sole Minister Administering the Environmental Planning and Assessment Act 1979	806
Festival Development Corporation	549
Board Of Surveying and Spatial Information	332
Lake Illawarra Authority	41
	23,183

c. Investment revenue

Royalties	2,258
Interest from NSW Treasury	2,259
PRMF loan interest	1,549
Interest revenue from financial assets not at fair value through profit or loss	1,737
	7,803

d. Retained taxes, fees and fines

Caravan Park Levy	4,611
Crown Cemeteries Advisory Committee Levy	125
	4,736

e. Grants and contributions

Grants and contributions	2,452
Tweed River Entrance Sand Bypassing Project – Queensland government's contribution	1,985
	4,437

f. Other revenue

Land declared to be Crown land - acquired for no consideration	19,804
Crown conversion project income	1,220
Other revenue	481
	21,505

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

4. Gain / (loss) on disposal

	2010
	\$'000
Loss on disposal of Crown land for no consideration	
Land transferred to Reserve Trusts	(70,272)
Crown Roads transferred to Local Government	(1,481)
Net loss on disposal of Crown land without consideration	(71,753)
Gain / (loss) on disposal of Crown land	
Proceeds from disposal	
Crown land sales	11,531
Land acquired by Government agencies	3,091
Conversion of perpetual leases to freehold	6,465
Total proceeds from disposal	21,087
Written down value of assets disposed	(50,447)
Net loss on disposal of Crown land	(29,360)
Gain / (loss) on disposal of property, plant and equipment	
Proceeds from disposal	2,046
Written down value of assets disposed	(1,606)
Net gain on disposal of property, plant and equipment	440
Gain / (loss) on disposal of non current asset held for sale	
Proceeds from disposal	34
Written down value of assets disposed	(118)
Net loss on disposal of non current asset held for sale	(84)
Total (loss) / gain on disposal of assets	(100,757)

5. Other gains / (losses)

	2010
	\$'000
Revaluation loss on transfer of land to other NSW government agencies (e.g. Department of Environment, Climate Change and Water)	(21,226)
Impairment of trade debtors	(831)
Impairment of PRMF loans	(60)
Revaluation loss on non-current assets held for sale	(72)
	(22,189)

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

6. Appropriations

	2010 \$'000
Recurrent Appropriations	
Total recurrent draw-downs from NSW Treasury (<i>per Summary of Compliance</i>)	75,921
Less: Liability to Consolidated Fund (<i>per Summary of Compliance</i>)	(201)
	75,720
 Comprising:	
Recurrent appropriations (<i>per Statement of comprehensive income</i>)	75,720
	75,720
 Capital Appropriations	
Total capital draw-downs from NSW Treasury (<i>per Summary of Compliance</i>)	394
Less: Liability to Consolidated Fund (<i>per Summary of Compliance</i>)	-
	394
 Comprising:	
Capital appropriations (<i>per Statement of comprehensive income</i>)	394
	394

7. Acceptance by the Crown entity of employee benefits and other liabilities

	2010 \$'000
Superannuation - defined benefit	2,176
Long service leave	2,689
Payroll tax	124
	4,989

LPMA's Crown Land Division and employee groups that provide personnel service to the Hunter Development Corporation and Corporation Sole Minister administering the Environmental Planning and Assessment Act 1979 are budget dependent. Their long service leave and defined benefit superannuation liabilities are assumed by the Consolidated Fund.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

8. Transfers to NSW Treasury and Payments to the Office of State Revenue

	2010 \$'000
Contribution to Consolidated Fund of NSW	
Contribution from LPI	21,134
Contribution from CLE	50,709
Contribution from LDWA	2,290
	74,133
LPI income tax equivalent	9,057
	83,190

Under agreements with NSW Treasury, LPMA's LPI, CLE and LDWA operations make contributions to the NSW Consolidated Fund. LPI also pays tax equivalents to the Office of State Revenue.

9. Service groups of the LPMA

a. Service group 1 – Crown Land Services

Objectives: Effective and sustainable use of the Crown estate of New South Wales to achieve economic, environmental and community benefits.

b. Service group 2 – Soil Conservation Service (SCS) and Rural Service

Objectives: To achieve the protection and conservation of farm water supplies, soil and related resources. Facilitate the development of sustainable rural communities.

c. Service group 3 – Personnel Services

Objectives: Provision of staff to entities falling under the administration of LPMA in terms of the *Public Sector Employment and Management Act 2002*.

d. Commercial activity – Land and Property Information New South Wales (LPI)

Objectives: To provide integrated and enhanced land and property information services through innovative use of information and communications technology and expand the range of services delivered online.

e. Commercial activity – Crown Leaseholds Entity (CLE)

Objectives: To collect revenue from Crown estate leases and licenses and in administration of property management activities.

f. Commercial activity – Land Development Working Account (LDWA)

Objectives: Development and sale of Crown land for commercial, industrial, rural and residential purposes in New South Wales.

g. Commercial activity – Crown Lands Homesites Program (CLHP)

Objectives: Provision of Crown estate land for residential use.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

10. Current assets - cash and cash equivalents

	2010
	\$'000
Cash at bank and on hand	90,594
	90,594

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and cash at bank.

Cash and cash equivalent assets recognised in the statement of financial position is reconciled at the end of the financial year to the statement of cash flows as follows:

Cash at bank and on hand (per statement of financial position)	90,594
Closing Cash and Cash Equivalents	90,594
(per statement of cash flows)	

Refer to note 28 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

11. Current / non-current assets – receivables

	2010
	\$'000
Current Receivables:	
Sale of goods and services	22,879
Amount due on Crown land conversions within 12 months	4,051
Retained taxes, fees and fines	56
Less: Allowance for impairment	(1,574)
Personnel service receivable	8,202
Long service leave (note 20)	6,507
Prepayments	3,132
Interest receivable	1,733
GST receivable	551
Other	680
	46,217
Non-Current Receivables:	
Amount due on Crown land conversions after 12 months	20,119
Personnel service receivable	15,557
Long service leave (note 20)	799
Development bonds	88
	36,563
Movement in the Allowance for Impairment	
Balance at 1 July	-
Transfer in due to administrative restructure	(1,047)
Amounts written off during the year	193
Amounts recovered during the year	111
Increase/(decrease) in allowance recognised in profit or loss	(831)
Balance at 30 June 2010	(1,574)

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in note 28.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

12. Current / non-current assets – inventories

	2010 \$'000
Current Inventories	
Held for distribution	
Consumables and spare parts	127
	127
Held for resale	
Land Developments	16,676
Maps	141
	16,817
	16,944
Non-Current Inventories	
Held for resale	
Land Developments	19,038
Maps	1,422
	20,460
Land developments include:	
Acquisition cost - land	13,049
Development costs capitalised	22,665
	35,714

Goods for resale (map stocks) are split 9% to current which is expected to be sold within the twelve months after the reporting date and 91% to non-current. There was no write down of inventories during the financial year.

13. Current/ non-current assets – other financial assets

	2010 \$'000
Current Other financial assets	
PRMF low interest loan to be paid within 12 months	6,774
Less: Allowance for impairment	(528)
	6,246
Non-Current Other financial assets	
PRMF low interest loan to be repaid more than 12 months	22,075
Investment in PSMA Ltd	-
	22,075
Movement in the Allowance for Impairment	
Balance at 1 July	-
Transfer in due to administrative restructure	(507)
Amounts written off during the year	39
Increase/(decrease) in allowance recognised in profit or loss	(60)
Balance at 30 June 2010	(528)

The Public Reserves Management Fund (PRMF) provides low interest loans to Crown land reserves with terms ranging from five years to 20 years. They are initially recognised at fair value and amortised cost thereafter.

The LPMA represents the NSW Government on the board of PSMA Ltd. The LPMA 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.

Refer to note 28 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

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

	2010 \$'000
Assets held for sale	
Land and buildings	444
	444

Four LPMA properties are identified as being held for sale at reporting date. These assets are surplus to business operational requirements and their disposal is part of a government approved business revitalisation strategy.

15. Non-current assets – property, plant and equipment

	Untenured Crown Land \$'000	Crown Land Under Tenure \$'000	Other Land and Buildings \$'000	Total Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
At 30 June 2010 - fair value							
Gross carrying amount	5,330,145	689,329	112,915	6,132,389	25,613	27,474	6,185,476
Accumulated depreciation and impairment	-	-	(77)	(77)	(5,385)	(658)	(6,120)
Net carrying amount	5,330,145	689,329	112,838	6,132,312	20,228	26,816	6,179,356

a. 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:

	Untenured Crown Land \$'000	Crown Land Under Tenure \$'000	Other Land and Buildings \$'000	Total Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
Year ended 30 June 2010							
Net carrying amount at start of year	-	-	-	-	-	-	-
Acquisitions through administrative restructure (note 22)	5,592,191	658,631	112,456	6,363,278	19,303	27,474	6,410,055
Additions	19,804	-	1,254	21,058	6,494	-	27,552
Disposals	(108,103)	(14,098)	(1,305)	(123,506)	(301)	-	(123,807)
ALC transferred out	(220,272)	-	-	(220,272)	-	-	(220,272)
Revaluation increment	101,371	15,402	1,268	118,041	22	-	118,063
Depreciation expense	-	-	(775)	(775)	(5,414)	(658)	(6,847)
Transfers between PPE classes	(29,394)	29,394	-	-	-	-	-
Transfers to inventory and non current assets held for sale	(730)	-	(60)	(790)	-	-	(790)
Asset transfers (to) / from other government agencies (note 23)	(24,722)	-	-	(24,722)	124	-	(24,598)
Net carrying amount at end of year	5,330,145	689,329	112,838	6,132,312	20,228	26,816	6,179,356

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

16. Intangible assets

	Software \$'000	Total \$'000
	<u> </u>	<u> </u>
At 30 June 2010		
Cost (gross carrying amount)	42,809	42,809
Accumulated amortisation and impairment	(12,103)	(12,103)
Net Carrying Amount	<u>30,706</u>	<u>30,706</u>
 Year ended 30 June 2010		
Net carrying amount at start of year	-	-
Acquisitions through administrative restructures (note 23)	30,604	30,604
Additions:		
- externally acquired	110	110
- internally developed	12,095	12,095
Amortisation expense	(12,103)	(12,103)
Net carrying amount at end of year	<u>30,706</u>	<u>30,706</u>

17. Restricted assets

Legislation or Treasury Directions impose restrictions on the use of certain assets of LPMA. As such, the following are considered to be restricted assets.

a. Public Reserve Management Fund (PRMF)

LPMA 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 LPMA.

The following is a summary of balances in the PRMF.

	2010 \$'000
	<u> </u>
Current Assets	
Cash	13,784
Receivable	1,996
Other financial assets	6,246
	<u>22,026</u>
 Non-Current Assets	
Other financial assets	22,075
	<u>44,101</u>

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

17. Restricted assets (*continued*)

b. Torrens Assurance Fund (TAF)

LPMA 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 to note 25 which identifies contingent liabilities relating to this fund.

Opening balance	-
Transfer in due to administrative restructure	16,544
Add:	
Revenue - ((note 3(a)))	3,121
Less:	
Expenditure - ((note 2(f)))	(3,520)
Balance at year end	<u>16,145</u>

18. Current liabilities – payables

	<u>2010</u> <u>\$'000</u>
Current Liabilities	
Accrued salaries, wages and on-costs	2,936
Creditors	14,399
Revenue received in advance	19,547
Contributions payable to the Consolidated Fund	21,134
Income tax equivalent payable	5,433
Security deposits held in trust	1,771
Other	77
	<u>65,297</u>

Revenue received in advance represents invoices raised and payments received in the current financial period for services provided in future financial periods, as well as credits in customer accounts, where invoices for services have not yet been raised.

The security deposits are required in connection with leases or licences of Crown land. They provide for restoration costs that LPMA may incur if, after the expiry of the lease or license, work has to be done to restore the land to its original state or to demolish any structures that the customer may have left. They can also be used to cover unpaid rent, although this is not the main reason for holding the guarantees. When the lease or license expires or is terminated, if the land is in satisfactory condition and no money needs to be spent, the security deposit is returned to the customer.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in note 28.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

19. Current / non-current liabilities - borrowings

	2010
	\$'000
	<hr/>
Current Liabilities	
Promissory notes	1,732
Advances from NSW Treasury	112
	<hr/>
	1,844
	<hr/>
Non-Current Liabilities	
Promissory notes	3,957
Advances from NSW Treasury	959
	<hr/>
	4,916
	<hr/>

LPMA's borrowings include promissory notes issued by ANZ bank which are used to fund LPMA's Tweed River Entrance Sand Bypassing Project jointly with the Queensland Government. New South Wales Government owns 75% of the project and 25% is owned by the Queensland Government. The total face value of the promissory notes is \$21 million, 75% of which is recognised by LPMA 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 \$2 million 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 \$1.910m which are repayable over a term of 10 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.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in note 28.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

20. Current / non-current liabilities – provisions

	2010
	\$'000
Current Provision	
Employee benefits and related on-costs	
Recreation leave	16,984
Long service leave	48,656
Other	9,354
Other provision	
Provision for Aboriginal Land Council claims	966,049
Other	1,190
Total current provisions	1,042,233
Non-Current Provision	
Employee benefits and related on-costs	
Long service leave	1,127
Superannuation *	191,545
Other provision	
Other	713
Total non-current provisions	193,385
Total provisions	1,235,618
Aggregate employee benefits and related on-costs	
Provisions – current	74,994
Provisions – non-current	192,672
Accrued salaries, wages and on-costs (note 18)	2,936
	270,602
The amount of leave liability expected to be settled:	
Within the 12 months	15,396
After more than 12 months	51,371
	66,767

* Defined benefit superannuation in 2010 is classified as a liability of \$191.5m (note 20c).

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

20. Current / non-current liabilities – provisions (*continued*)

a. Long service leave pool liability

LPMA has a mixture of employee provision funding arrangements and some employee's LSL is funded by the Consolidated Fund, whereas others are self funded from operations. LPMA's semi-commercial service SCS and SPA personnel service employees' long service leave liability and the corresponding receivable from NSW Treasury are reported as follows refer to note 1.k(iii)(b).

	2010 \$'000
Current Liability	6,507
Non-Current Liability	799
	7,306
Current Receivables (note 11)	6,507
Non-Current Receivables (note 11)	799
	7,306

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:

2010	Aboriginal Land Council \$'000	Other \$'000	Total \$'000
Carrying amount at the beginning of financial year	-	-	-
Provision transferred in due to administrative restructures	1,070,209	2,562	1,072,771
Additional provisions recognised	-	1,002	1,002
ALC claims granted during the year	67,672	-	67,672
Revaluation increments and adjustments	48,440	-	48,440
Amount used and ALC claim transferred	(220,272)	(2,078)	(222,350)
Movements in provisions from re-measurement	-	417	417
Carrying amount at the end of financial year	966,049	1,903	967,952

The LPMA has provided for the liability of claims which have been granted to Local Aboriginal Land Councils under the *Aboriginal Land Rights Act 1983* as at 30 June 2010 but not yet transferred. The amount of land valued at \$966 million, represents fair value of land granted based on estimated size of the land. These parcels of land remain under the care, control and management of LPMA pending formal land boundary surveys being undertaken so that freehold title can be prepared. Once this action occurs, freehold title can be issued to the respective Local Aboriginal Land Councils. At that point the care, control and management of the land will be transferred from LPMA. Until the land is surveyed, the precise area to be transferred is unknown.

c. Superannuation liability

LPMA's commercial and semi-commercial activities are responsible for funding the employer's defined benefit superannuation liability through monthly contributions to LPMA's reserve account held at the Pillar Administration. Superannuation payments to retiring employees are made out of this reserve account. Periodically LPMA's reserve account balance is augmented by interest distributions made at the discretion of the Pillar Administration. LPMA 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).

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

20. Current / non-current liabilities – provisions (*continued*)

c. Superannuation liability (*continued*)

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.

(i) Superannuation position using AASB119 basis

	SASS	SANCS	SSS	TOTAL
	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000
LPMA				
Accrued liability	55,342	24,564	522,498	602,404
Estimated reserve account balance	(51,196)	(22,165)	(337,498)	(410,859)
Net (asset)/liability	4,146	2,399	185,000	191,545
Future Service Liability **	(11,290)	(7,641)	(23,400)	(42,331)
Surplus in excess of recovery available from schemes	-	-	-	-
Net (asset)/liability to be recognised in statement of financial position	4,146	2,399	185,000	191,545

**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.

LPMA has four separate accounts under administration. 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 LPMA's reporting. The statement of financial position reports the SASS, SANCS and SSS scheme liabilities of \$191.5m in non-current liability.

(ii) Reconciliation of the present value of the defined benefit obligation

	SASS	SANCS	SSS	TOTAL
	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000
<i>Present value of partly funded defined benefit obligation at beginning of the year</i>	-	-	-	-
Liability transferred in (out) as a result of administrative restructuring	48,426	22,034	461,513	531,973
Current service cost	1,992	1,049	3,588	6,629
Interest cost	2,640	1,181	25,429	29,250
Contributions by Fund participants	1,066	-	3,847	4,913
Actuarial (gains)/losses	3,131	1,661	44,734	49,526
Benefits paid	(1,913)	(1,361)	(16,613)	(19,887)
Present value of partly funded defined benefit obligation at end of the year	55,342	24,564	522,498	602,404

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

20. Current / non-current liabilities – provisions (*continued*)

c. Superannuation liability (*continued*)

(iii) Reconciliation of the fair value of fund assets

	SASS	SANCS	SSS	TOTAL
	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000
<i>Fair value of Fund assets at beginning of the year</i>	-	-	-	-
Assets transferred in (out) as a result of administrative restructuring	45,135	20,532	312,076	377,743
Expected return on Fund assets	3,864	1,736	26,525	32,125
Actuarial gains/(losses)	889	93	5,158	6,140
Employer contributions	2,155	1,165	6,505	9,825
Contributions by Fund participants	1,066	-	3,847	4,913
Benefits paid	(1,913)	(1,361)	(16,613)	(19,887)
Fair value of Fund assets at end of the year	51,196	22,165	337,498	410,859

(iv) Reconciliation of the assets and liabilities recognised in the statement of financial position

	SASS	SANCS	SSS	TOTAL
	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at end of year	55,342	24,564	522,498	602,404
Fair value of Fund assets at end of year	(51,196)	(22,165)	(337,498)	(410,859)
Net Liability/(Asset) recognised in statement of financial position at end of year	4,146	2,399	185,000	191,545

(v) Expense recognised in statement of comprehensive income

	SASS	SANCS	SSS	TOTAL
	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000
Current service cost	1,992	1,049	3,588	6,629
Interest cost	2,640	1,181	25,429	29,250
Expected return on Fund assets (net of expenses)	(3,864)	(1,736)	(26,524)	(32,124)
Expense/(income) recognised	768	494	2,493	3,755

The superannuation expense recognised in the statement of comprehensive income is included in the line item 'Employee related' expenses. Superannuation actuarial gains/losses of \$43.386m are separately identified in 'other comprehensive income'

(vi) Amounts recognised in other comprehensive income

	SASS	SANCS	SSS	TOTAL
	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000
Actuarial (gains)/losses	2,242	1,568	39,576	43,386

Due to the administrative restructure, it is not practical to determine the cumulative actuarial gain or loss (including amounts transferred on restructuring) attributable to transferred departments and functions on 1 July 2009.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

20. Current / non-current liabilities – provisions (*continued*)

c. Superannuation liability (*continued*)

(vii) Fund assets

The percentages invested in each asset class at the end of the reporting period are:

	2010 %
Australian equities	31.0
Overseas equities	26.8
Australian fixed interest securities	6.1
Overseas fixed interest securities	4.3
Property	9.5
Cash	9.6
Other	12.7

(viii) Fair value of fund assets

All fund assets are invested by the Superannuation Trustee Corporation (STC) at arm's length through independent fund managers.

(ix) 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.

(x) Actual return on fund assets

	SASS	SANCS	SSS	TOTAL
	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000
Actual return on Fund assets	4,223	1,830	28,581	34,634

(xi) Valuation method and principal actuarial assumptions at the end of the reporting period

(a) 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.

(b) Economic assumptions

	2010
Salary increase rate (excluding promotional increases)	3.5% pa
Rate of CPI Increase	2.5% pa
Expected rate of return on assets	8.60%
Discount rate	5.17% pa

(c) Demographic assumptions

The demographic assumptions at 30 June 2010 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

20. Current / non-current liabilities – provisions (*continued*)

c. Superannuation liability (*continued*)

(xii) Historical information

	SASS	SANCS	SSS	TOTAL
	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000
Present value of defined benefit obligation	55,342	24,564	522,498	602,404
Fair value of Fund assets	(51,196)	(22,165)	(337,498)	(410,859)
(Surplus)/Deficit in Fund	4,146	2,399	185,000	191,545
Experience adjustments – Fund liabilities	3,131	1,661	44,734	49,526
Experience adjustments – Fund assets	(889)	(93)	(5,158)	(6,140)

Due to the administrative restructure, it is not practical to determine the historic information (including amounts transferred on restructuring) attributable to transferred departments and functions for the previous four annual reporting periods.

(xiii) Expected contributions

	SASS	SANCS	SSS	TOTAL
	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000
Expected employer contributions to be paid in the next reporting period	2,045	1,170	6,105	9,320

(xiv) Funding arrangements for employer contributions

(a) Surplus / deficit

The following is a summary of the 30 June 2010 financial position of the Fund calculated in accordance with AAS 25 *Financial Reporting by Superannuation Plans*.

	SASS	SANCS	SSS	TOTAL
	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000
Accrued benefits	50,734	22,329	359,774	432,837
Net market value of Fund assets	(51,196)	(22,165)	(337,498)	(410,859)
Net (surplus)/deficit	(462)	164	22,276	21,978

(b) Funding method

Contribution rates are set after discussions between the employer, STC and NSW Treasury.

(c) Economic Assumptions

Weighted-Average Assumptions	
Expected rate of return on Fund assets backing current pension liabilities	8.3% pa
Expected rate of return on Fund assets backing other liabilities	7.3% pa
Expected salary increase rate	4.0% pa
Expected rate of CPI increase	2.5% pa

(xv) 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.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

21. Current / non-current liabilities - other

	2010 \$'000
Current liabilities - other	
Liability to consolidated fund	201
	201
Non-Current liabilities - other	
Crown core liability	6,930
	6,930

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 directives', in the supplementary financial statements.

The Crown core liability relates to Crown lands acquired for CLHP operations and represents the present value of future cash flows. The fair value was determined using market prices at the time of acquisition. An amount is payable to NSW Consolidated Fund on the sale of land.

22. Administrative restructure

LPMA was created, effective from 1 July 2009, as a result of the *Public Sector Employment and Management (Departmental Amalgamations) Order 2009* from:

- the former Department of Lands
- staff of the Office of State Property Authority (OSPA), Hunter Development Corporation (HDC), Office of Biofuels, Lake Illawarra Authority and Chipping Norton Lake Authority (CNLA)

The *Public Sector Restructure (MAA) Act 2009* dated 30 November 2009 transferred staff of the Office of Strategic Lands (OSL) from the Department of Planning to LPMA with effect 1 July 2009.

The *Public Sector Employment and Management (Land and Property Management Authority) Order 2010* transferred the Office of Rural Affairs (ORA) from LPMA to the Department of Industry and Investment, with effect 19 March 2010.

The *Public Sector Employment and Management (SHFA) Order 2010* abolished the Office of Sydney Harbour Foreshore Authority (OSHFA) and moved all its branches to LPMA, with effect 4 June 2010.

A letter from the NSW Treasurer dated 13 May 2010 clarified that the functions of CLE, LDWA, CLHP and Crown Reserves were transferred to LPMA, with effect from 1 July 2009.

Note 22 (a) includes comparative statements of comprehensive income for the former department transferred functions. Note 22 (b) includes comparative statements of financial position for transferred functions and discloses the assets and liabilities transferred.

Comparative information is not provided, other than as specified above, given that this is the first financial year of the LPMA entity.

Assets transferred in as a result of the administrative restructures are treated as a contribution by owners and recognised as an adjustment to accumulated funds. The transfers are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure, which approximates fair value.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

22. Administrative restructure (continued)

a. Statements of comprehensive income for former departments and transferred functions for the year ended 30 June 2009

	Department of Lands	CLE transferred from Crown entities	LDWA transferred from Crown entities	OSL transferred from Department of Planning	OSPA	HDC employees	CLHP	Total	ORA transferred to Department of Industry	OSHFA	Total transferred during the year	Comparative number as at 30.06.2009
	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000
Expenses excluding losses												
Operating expenses	146,233	-	-	2,948	11,948	2,393	-	163,522	(286)	27,327	27,041	190,563
Employee related	80,113	757	7,394	-	-	-	7,858	96,122	(319)	-	(319)	95,803
Depreciation and amortisation	18,583	-	3	-	-	-	-	18,586	(2)	-	(2)	18,584
Grants and subsidised	10,937	17,251	-	-	-	-	-	28,188	(1,011)	-	(1,011)	27,177
Finance costs	823	-	-	-	-	-	-	823	-	-	-	823
Other expenses	14,286	13,331	4,700	-	-	-	-	32,317	-	-	-	32,317
Total expenses excluding losses	270,975	31,339	12,097	2,948	11,948	2,393	7,858	339,558	(1,618)	27,327	25,709	365,267
Revenue												
Sale of goods & service	197,731	52,933	10,428	2,948	17,272	2,322	7,541	291,175	-	31,898	31,898	323,073
Investment revenue	4,715	2,208	-	-	-	-	-	6,923	-	-	-	6,923
Retained Taxes, fees and fines	4,423	-	-	-	-	-	-	4,423	-	-	-	4,423
Grants and contributions	9,462	-	-	-	-	-	-	9,462	(1,000)	-	(1,000)	8,462
Other revenues	9,785	12,931	-	-	-	-	338	23,054	(134)	-	(134)	22,920
Total revenue	226,116	68,072	10,428	2,948	17,272	2,322	7,879	335,037	(1,134)	31,898	30,764	365,801
Gain/(Loss) on disposal	47	(21,116)	-	-	-	-	-	(21,069)	-	-	-	(21,069)
Other gains/(losses)	(848)	(7,923)	-	-	-	-	-	(8,771)	-	-	-	(8,771)
Net Cost of Services	(45,660)	7,694	(1,669)	-	5,324	(71)	21	(34,361)	484	4,571	5,055	(29,306)
Government contributions												
Recurrent appropriation	65,633	-	-	-	-	-	-	65,633	(508)	-	(508)	65,125
Capital appropriation	628	-	-	-	-	-	-	628	-	-	-	628
Acceptance by the Crown Entity	4,692	-	-	-	-	71	-	4,763	(9)	-	(9)	4,754
of employee benefits and other liabilities	70,953	-	-	-	-	71	-	71,024	(517)	-	(517)	70,507
Total Government contributions	25,293	7,694	(1,669)	-	5,324	-	21	36,663	(33)	4,571	4,538	41,201
SURPLUS/(DEFICIT) FOR THE YEAR												
Other comprehensive income for the year												
Net increase / (decrease) in property, plant and equipment asset revaluation reserve	16,261	57,321	-	-	-	-	-	73,582	-	-	-	73,582
Superannuation actuarial losses	(144,618)	-	-	-	(5,324)	-	-	(149,942)	-	(4,571)	(4,571)	(154,513)
Other comprehensive income for the year	(128,357)	57,321	-	-	(5,324)	-	-	(76,360)	-	(4,571)	(4,571)	(80,931)
TOTAL	(103,064)	65,015	(1,669)	-	-	-	21	(39,697)	(33)	-	(33)	(39,730)

(1) The Office of Biofuels financial information are included in the Department of Lands figures presented above.

(2) Lands, CLE and LWDA 2009 comparative numbers have changed slightly from the published accounts due to adjustment of prior year figures.

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Notes to the financial statements for the year ended 30 June 2010

22. Administrative restructure (continued)

b. Assets and liabilities transferred from former departments and transferred functions

	Department of Lands	CLE transferred from Crown entities	LDWA transferred from Crown entities	OSL transferred from Department of Planning	OSPA	HDC employees	CLHP	Total	ORA transferred to Department of Industry	OSHFA	Total transferred during the year	Comparative number as at 30.06.2009
	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000
ASSETS												
Current Assets												
Cash and Cash Equivalent	42,126	8,729	12,377	-	-	-	3,356	66,588	(185)	-	(185)	66,403
Receivables	22,075	12,673	1,116	179	4,259	242	172	40,716	(631)	5,823	5,192	45,908
Inventory	279	-	134	-	-	-	18,051	18,464	-	-	-	18,464
Other financial assets	6,031	-	-	-	-	-	-	6,031	-	-	-	6,031
Non-current asset held for sale	576	-	-	-	-	-	-	576	-	-	-	576
Total current assets	71,087	21,402	13,627	179	4,259	242	21,579	132,375	(816)	5,823	5,007	137,382
Non-current assets												
Receivables	41	21,881	283	-	6,372	31	88	28,696	-	6,614	6,614	35,310
Inventory	1,513	-	5,253	-	-	-	15,540	22,306	-	-	-	22,306
Other financial assets	20,986	-	-	-	-	-	-	20,986	-	-	-	20,986
Property, plant and equipment	-	6,250,822	-	-	-	-	-	6,250,822	-	-	-	6,250,822
Crown land	112,456	-	-	-	-	-	-	112,456	-	-	-	112,456
Land and Building	19,297	-	5	-	-	-	-	19,302	-	-	-	19,302
Plant and Equipments	27,475	-	-	-	-	-	-	27,475	-	-	-	27,475
Infrastructure systems	159,228	6,250,822	5	-	-	-	-	6,410,055	-	-	-	6,410,055
Total Property Plant and Equipment	30,604	-	-	-	-	-	-	30,604	-	-	-	30,604
Intangible assets	212,372	6,272,703	5,541	-	6,372	31	15,628	6,512,647	-	6,614	6,614	6,519,261
Total non-current assets	283,459	6,294,105	19,168	179	10,631	273	37,207	6,645,022	(816)	12,437	11,621	6,656,643
Total assets												
LIABILITIES												
Current Liabilities												
Payables	30,167	22,103	2,971	-	310	-	5,574	61,125	(685)	341	(344)	60,781
Borrowings	1,627	-	-	-	-	-	-	1,627	-	-	-	1,627
Provisions	61,158	1,070,209	4,700	179	3,949	242	2,002	1,142,439	(37)	5,482	5,445	1,147,884
Other	21	-	1,983	-	-	-	-	2,004	-	-	-	2,004
Total current liabilities	92,973	1,092,312	9,654	179	4,259	242	7,576	1,207,195	(722)	5,823	5,101	1,212,296
Non-current liabilities												
Borrowings	6,818	-	-	-	-	-	-	6,818	-	-	-	6,818
Provisions	143,109	-	-	-	6,372	31	88	149,600	(94)	6,614	6,520	156,120
Other	-	-	-	-	-	-	5,734	5,734	-	-	-	5,734
Total non-current liabilities	149,927	-	-	-	6,372	31	5,822	162,152	(94)	6,614	6,520	168,672
Total liabilities	242,900	1,092,312	9,654	179	10,631	273	13,398	1,369,347	(816)	12,437	11,621	1,380,968
Net assets	40,559	5,201,793	9,514	-	-	-	23,809	5,275,675	-	-	-	5,275,675
Increase in net assets from equity transfers	40,559	5,201,793	9,514	-	-	-	23,809	5,275,675	-	-	-	5,275,675

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

23. Increase / decrease in net assets from equity transfers

During the current reporting period, land assets were transferred between the LPMA and other government agencies. These asset transfers are designated by NSW Treasury as contributions by owners, in terms of Interpretation 1038 *Contributions by owners to wholly-owned public sector entities*. In accordance with NSW Treasury TPP 09-3 equity transfers between public sector entities are generally required to be valued at fair value to the transferee.

On 30 June 2010 a statue of Governor Macquarie with \$0.126m net book value was transferred from the Parliamentary Services to LPMA.

Administrative Order 19 March 2010 directed the Office of Rural Affairs (ORA) to be transferred out from LPMA to the Department of Industry & Investment. ORA's computer equipment with net book value of \$2,264 was transferred from equity as owners with owners.

	Notes	2010 \$'000
Land transferred from (to) other government agencies		
Crown land transfers to other government agencies	15	(24,722)
Write down of asset value to fair value	5	21,226
		(3,496)
Plant equipment transferred from (to) other government agencies		
Plant and equipment transfers from other government agencies	15	124
Total decrease in net assets from equity transfers		(3,372)

24. Commitments

a. Capital commitments

Aggregate capital expenditure for acquisition of items contracted for at balance date and not provided for:

	2010 \$'000
Not later than one year	6,152
Later than one year and not later than five years	2
Total (including GST)	6,154

b. Other expenditure commitments

Aggregated below are commitments for the acquisition of items contracted for at balance date and not provided for including mass valuation contracts with various suppliers and other expenditures.

Not later than one year	26,927
Later than one year and not later than five years	846
Later than five years	33
Total (including GST)	27,806

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

24. Commitments (continued)

c. Operating lease commitments – as lessee

LPMA 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:

	2010 \$'000
Not later than one year	5,924
Later than one year and not later than five years	7,604
Total (including GST)	13,528

The total capital commitments, other expenditure commitments and operating lease commitments above include input tax credits of \$4.252m that are expected to be recovered from the Australian Taxation Office.

d. Operating lease commitments – as lessor

LPMA provides operating leases on its land under tenure. All the non-cancellable leases rental charges are increased annually on the *Consumer Price Index* basis and the lease terms range from one to 99 years.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	2010 \$'000
No later than one year	19,733
Later than one year and not later than five years	84,654
Later than five years	107,356
Total (including GST)	211,743

The leases and the lease conditions applicable to the above are classified into the following categories.

(i) Crown Lands Act 1989 (CLA)

(a) Lease

This type of lease can be granted for a period up to 99 years and conditions are imposed in accordance with the specific requirements of the leased area. In most instances, the land only is leased and it is recognised that the improvements belong to the lessee or there is a right for the lessee to remove improvements at the termination of the lease (with the consent of the Minister for Lands).

(b) License

These tenures are terminable at will by the Minister for Lands and generally have no set term. These are not included in preceding commitment table.

(c) Enclosure permit

This is a permit to enclose a Crown road or watercourse and is attached to land is either freehold or under perpetual lease, but not a license. These are not included in preceding commitment table.

(ii) Crown Lands (Continued Tenures) Act 1989 (CTA)

(a) Perpetual lease

This is a lease held in perpetuity over land (i.e. it does not expire) subject to compliance with conditions including payment of annual rent, etc. Many of these can be purchased at a price lower than market value. If the lease is surrendered or terminated, no compensation is payable to the holder.

(b) Term lease

This is a lease hold for a stated period of time. It is also held over land only and the land may be purchased if the Minister for Lands agrees. The purchase price for the land would be market value.

(c) Special lease

These leases were granted for a period of up to 40 years under previous legislation for a variety of purposes. The land can only be used for the purpose for which the lease was granted.

(d) Commonwealth lease

These leases are generally tenures granted for a specific purpose such as telecommunications or rifle ranges, etc.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

25. Contingent liabilities and contingent assets

	2010 \$'000
Liabilities	
Torrens Assurance Fund	11,384
Legal	2,358
	13,742
Assets	
Bank guarantees	7,599

a. Torrens Assurance Fund

LPMA maintains a special deposit account for claims arising through fraud or LPMA 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 LPMA.

b. Insurance claims

LPMA may be liable for payment of compensation 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. Bank Guarantees

LPMA holds bank guarantees from certain suppliers and customers. LPMA may choose to exercise these guarantees, in case of breach of contract. \$2.300 million relates to valuation contracts and \$5.299 million relates to bank guarantees required in connection with tenure arrangements of Crown land. The tenure related guarantees provide for restoration costs that LPMA may incur if, after the expiry of the lease or license, work has to be done to restore the land to its original state or to demolish any structures that the customer may have left. These bank guarantees can also be used to cover unpaid rent, although this is not the main reason for holding the guarantees. When the lease or license expires or is terminated, if the land is in satisfactory condition and no money needs to be spent, the bank guarantee is returned to the customer.

d. Other legal liabilities

Native Title

Applications under the *Native Title Act (Commonwealth) 1993* and *Aboriginal Land Rights Act 1983* have been made over various areas of land and water in New South Wales, which might ultimately result in a liability being incurred by LPMA. It is not possible to estimate this potential liability.

Land contamination

It is likely that some parcels of Crown land may have been contaminated at some stage in the past. LPMA has identified at least 492 sites on untenured Crown land which are likely to be contaminated to some degree. Work is still to be undertaken to determine the nature and extent of any such contamination. This work will also assist in determining the likely impact of any contamination on the value of the land holdings. However, it is considered that the existence of contaminated sites will not have a material impact on the overall value of LPMA land holdings.

Nedoni Pty Ltd

In March 2004 the Land and Environment Court directed the Minister Assisting the Minister for Natural Resources (Lands) to acquire a parcel of land owned by Nedoni Pty Ltd. The land is located at Byron Bay. It is intended that the Minister for Lands will acquire the parcel of land on behalf of the Crown. This matter may not be concluded until early 2011. The potential liability to LDWA has been estimated at approximately \$1 million, being the land value and other costs of acquisition. Due to unresolved issues concerning the amount of land to be acquired, a reliable land valuation estimate cannot be determined at this stage and a liability has therefore not been recognised.

Burrendong State Park

The action arises out of alleged misrepresentations made by persons formerly on the Reserve Trust Board of the Burrendong State Park. The alleged misrepresentations were made to seven developer/owners who are the plaintiffs in the case. An administrator is now in place to manage the reserve trust. If the reserve trust is unable to cover the costs involved, should any be awarded, then the LPMA may incur these costs through the PRMF. The anticipated maximum exposure is \$1.7m.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

26. Budget review

Net cost of services

These financial statements only include Budget Papers details for the former Department of Lands, Land and Property Information and the Crown Leaseholds Entity. Due to the Treasury classification of the Land Development Working Account and the Crown lands Homesites program as public trading enterprises their budget details are not included in the calculation of the budget figure for 2010. A further change affecting the calculation of the budget included in these financial statements was the commencement of Personnel Services activities by LPMA in respect to its employees working in the Sydney Harbour Foreshore Authority, State Property Authority, Hunter Development Corporation and Corporation Sole Minister administering the Environmental Planning and Assessment Act 1979.

The net cost of services increased by \$194 million. The increase is primarily represented by the following factors.

- Employee related expenses – costs incurred were less than budget due to strict control over recruitment, once the impact of personnel services employment activities (\$20.7m) is taken into account.
- Other operating costs – increased by \$20 million due to the costs incurred in the LDWA & CLHP (against no budget).
- Other expenses – the \$118 million variance to budget primarily relates to the aboriginal land claims processed during the year to start to address the backlog of claims (against a minimal budget provision).
- Sale of goods and services – includes \$23m for Personnel Services activities, \$26.7m for revenue from LDWA and CLHP (all against no budget). LPI achieved a \$16 million revenue increase through improvement in property market transactions. Crown Lands and Soil Conservation Service increase revenues by \$18.3m through improved trading activities.
- Gains and losses on disposal of assets relates primarily to the accounting treatment required when recognising write downs of the value of Crown land being transferred to other government agencies.

The deficit for 2010 includes funds transferred to NSW Treasury under existing funding arrangements and includes a lower return for the year on Crown Leaseholds Entity activities (\$30.7m) and an increase in profit generated by the LPI business of \$13.4m.

Assets and liabilities

LPMA total assets declined against budget mainly due to the annual revaluation of assets within the Crown estate declining in value due to current property market conditions. Liabilities increased during the period, predominately due to increases in employee entitlements (such as superannuation and long service leave). Reductions to liabilities resulted from transfers of land granted under Aboriginal land claims.

Cash flows

Cash outflows reflected an increase in employee related costs arising from the recently introduced personnel service activities. Overall the cash resources remained near budget level after account of receipts and payments fluctuations mentioned in the 'Net cost of services' commentary above.

27. Reconciliation of cash flows from operating activities to net cost of services

	2010
	\$'000
	<hr/>
Net cash flow from operating activities	24,887
Net cash flows from government contributions	(3,802)
Aboriginal land council claims granted	(116,112)
Loss on disposal of non current asset	(100,757)
Depreciation and amortisation	(18,950)
Loss on revaluation (e.g. transfer to National Parks)	(21,298)
Defined benefit super expense	(5,909)
Crown land acquired for non consideration	19,804
Net gain/(loss) on financial assets / liabilities not at fair value through profit or loss	284
Impairment loss	(891)
(Decrease)/increase in receivables and other assets	14,115
(Decrease)/increase in inventories	(4,096)
Decrease/(increase) in payables and other liabilities	2,631
Net Cost of Services	<hr/> (210,094) <hr/>

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

28. Financial instruments

LPMA's principal financial instruments are outlined below. These financial instruments arise directly from LPMA's operations or are required to finance LPMA's operations. LPMA does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

LPMA's main risks arising from financial instruments are outlined below, together with LPMA's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chief Executive 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 LPMA, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the LPMA Audit and Risk Committee and internal audit on a regular basis.

a. Financial instrument categories

Class	Note	Category	2010 \$'000 Carrying Amount
Financial Assets			
Cash and cash equivalents	10	n/a	90,594
Receivables ⁽¹⁾	11	Receivables measured at cost	23,718
Other financial assets	13	Loans and receivables measured at amorised cost	52,491
Financial Liabilities			
Payables ⁽²⁾	18	Payables measured at cost	24,229
Borrowings	19	Financial liabilities measured at amortised cost	6,760

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 LPMA's debtors defaulting on their contractual obligations, resulting in a financial loss to LPMA. 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 LPMA, including cash and receivables. LPMA has not granted any financial guarantees. Credit risk associated with LPMA's financial assets, other than receivables, 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 LPMA.

(i) 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.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

28. Financial instruments (*continued*)

b. Credit risk (*continued*)

(ii) 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. No interest is earned on trade debtors. Sales are made on terms ranging from zero to 30 days.

LPMA 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 (2010: \$12,416,130) and not less than 90 days past due (2010: \$5,129,893) are not considered impaired and together these represent 80% of the total trade debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

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 statement of financial position.

	Total \$'000	Past Due but Not Impaired \$'000			Considered Impaired \$'000
		< 3 mths overdue	3-6 mths overdue	> 6 mths overdue	
2010					
Receivables	12,053	4,960	1,796	3,723	1,574
Other financial assets	2,590	170	1,169	723	528

The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 and excludes receivables that are not past due and not impaired.

c. Liquidity risk

Liquidity risk is the risk that LPMA will be unable to meet its payment obligations when they fall due. LPMA 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.

During the current year, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. LPMA does not have any bank overdraft facility. LPMA'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.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

28. Financial instruments (continued)

c. Credit risk (continued)

(ii) Receivables - trade debtors (continued)

The table below summaries the maturity profile of LPMA's financial liabilities together with the interest rate exposure.

	Weighted Average Effective Interest Rate %	Nominal Amount \$'000	Interest Rate Exposure			Maturity Dates		
			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
2010								
Payables	-	24,229	-	-	24,229	14,399	8,575	1,255
Borrowings	8.81%	5,688	5,688	-	-	1,732	3,956	-
Advance payable	-	1,071	-	1,071	-	112	707	252
Total Financial Liabilities		30,988	5,688	1,071	24,229	16,243	13,238	1,507

Note: The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which LPMA can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

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. LPMA's exposures to market risk are primarily through interest rate risk on LPMA's borrowings. LPMA 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. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through LPMA's interest bearing liabilities. This risk is minimised by undertaking fixed rate borrowings, with NSW TCorp and ANZ bank. LPMA 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. LPMA's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2010					
Financial Assets:					
Cash and cash equivalent	90,594	(906)	(906)	906	906

e. Fair value compared to carrying amount

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of the financial instruments.

LAND AND PROPERTY MANAGEMENT AUTHORITY

Notes to the financial statements for the year ended 30 June 2010

29. After balance date events

The State Revenue Legislation Amendment Act 2010 was published on 1 July 2010. This made amendments to the Real Property Act 1900. This Act changed the existing arrangements for the funding of the Torrens Assurance Fund. Under the new arrangements, the Torrens assurance levy will be a separate charge to administrative fees paid under the Act and will be payable into the Consolidated Fund.

End of audited financial statements

Response to Auditor General's Report

In his Statutory Report for the LPMA, the Auditor General advised that he expressed a modified opinion on the LPMA's financial statements due to limitations surrounding the completeness and valuation of Crown reserves, buildings and infrastructure on Crown reserves and coastal infrastructure under the LPMA's control. The Auditor-General's modified opinion was:

"As disclosed in Note 1j(vii) summary of significant accounting Policies, LPMA is undertaking a project to identify and value the Crown reserves it controls. Until that project is completed, I am unable to obtain all the information I require to form an opinion on the value of those Crown reserves that should be recognised as land in the financial statements. I am also unable to obtain all the information I require to form an opinion on the value of buildings and infrastructure on Crown reserves or coastal infrastructure as disclosed in Note 1j(vii) that should be recognised as buildings and infrastructure in the financial statements"

The LPMA's response to each modified opinion is set out below:

Value of Crown Reserves

This modification has previously been issued in respect of the Crown Leaseholds Entity (CLE) and the Total State Sector Accounts since 2004. Prior to that time, a general position was taken that once a Crown reserve was established, the land associated with the Crown reserve was removed from control by government. From 2004, the Auditor General held a belief that as the Crown reserves were controlled by government, they should be recognised and brought to account in the State's financial statements. The Government had a different view on the matter.

Prior to 2009/10 financial year, Crown land was administered by the LPMA (and its predecessors). This meant that any financial reporting in relation to Crown land flowed from the Crown Leaseholds Entity to the Total State Sector Accounts without impacting on the financial statements of the LPMA (or its predecessors). With the transfer of the Crown land to the LPMA in 2009/10, the long standing modified opinion was also transferred to the LPMA.

In late 2006 Government approved of the LPMA embarking on a program to formally identify, convert to title (i.e. issue lot/dp) and value each Crown reserve. The various projects are subject to oversight by a program steering committee which has representatives of Treasury and the Audit Office in attendance.

It is expected that this body of work will be largely completed by March 2011. This should allow those parcels, which are eventually judged to be "controlled" by Government, to be brought to account in the 2010/11 financial statements of both the LPMA and the Total State Sector Accounts.

Allied to this work, the LPMA is developing a discussion paper on the issue of "control" of Crown reserves. It is expected that the LPMA, NSW Treasury and the Audit Office should arrive at an agreed position on the definition of "control" of Crown reserves by the end of March 2011. This will then enable those Crown reserves which are judged to be controlled by Government to be brought to account in the 2010/11 financial statements.

Resolution of the matter would be expected to result in the Auditor-General's modified opinion in relation to the value of land in Crown reserves to be removed at that time.

Value of Infrastructure

This is the first year in which the Auditor-General has included a modified opinion in respect of the value of buildings and infrastructure on Crown reserves and the value of the coastal infrastructure (sea walls, training walls, minor port facilities).

- Value of buildings and infrastructure on Crown reserves

The modified opinion in respect of this matter is tied to the value of the land within Crown reserves. If a determination is made that Crown reserves are controlled by government, the government has previously committed to bring the value of such land to account. If the government brings the value of the land to account because it controls the land, it is a logical extension that the Government would also control the buildings and infrastructure on the Crown reserves.

In undertaking the body of work to resolve the land value issue, LPMA has commenced collecting data as to the number of Crown reserves that contain buildings and infrastructure and the allocation of those parcels to valuation bandwidths (i.e. less than \$100,000, between \$500,000 and \$1 million etc). This will enable the LPMA to determine the possible scope and cost that might be involved in obtaining valuations for such assets in the event that it is determined that Government does control Crown reserves.

A detailed project for this matter has not yet been established. It is expected that this body of work would commence once the land conversion and valuation project has concluded, subject to the issue of control being resolved. On information gathered to date, this body of work will take at least two years to complete.

- Value of coastal infrastructure

The government has traditionally provided an annual budget allocation to the LPMA (and its predecessors) for the maintenance of a range of coastal infrastructure. This includes funding for the maintenance and upkeep of sea training walls and other infrastructure associated with the minor ports along the seaboard.

No agency has even acknowledged the existence of the infrastructure. While the LPMA managed the Crown assets as administered activity, there appeared to be little interest in resolving the “ownership” issue for this class of asset. The result was that funding has been allocated to maintain assets that no-one acknowledged formally existed.

When the Crown assets were transferred to LPMA, a decision was taken that the assets should be formally acknowledged and brought to account. Given the timing of the transfer of the Crown assets, there has been insufficient time for the LPMA to determine the values of the assets and to bring them to account. The Auditor General has indicated that he would need evidence to support the LPMA's contention that the assets should be part of LPMA's asset base.

A project will be commencing shortly to gather the evidence to support the LPMA's position and to update the valuations of the various assets. Resolution of the matter is expected within a year and it is anticipated that the modified audit opinion on this matter would be removed in the 2010/11 financial statements.

Appendixes

The information in these appendixes relates solely to the Land and Property Management Authority and its divisions. Any information regarding the Geographical Names Board and the Office of Biofuels can be found within their own reports.

1. Acts Administered by LPMA
2. Chief and Senior Executive Staff
3. Consultants
4. Consumer Response
5. Credit Card Certification
6. Disability Action Plan
7. Employee Relations
8. Equal Employment Opportunities
9. Freedom of Information (FOI)
10. Funds Granted to Non-Government Community Organisations
11. Land Disposal
12. Legislation and Legal Change
13. Major Works
14. Multicultural Policies and Services Plan
15. Occupational Health and Safety (OHS)
16. Overseas Travel
17. Payment of Accounts
18. Price Determination
19. Privacy Management Plan
20. Research and Development
21. Risk Management and Insurance
22. Sustainability Policy for NSW Government
23. Other Information

1. Acts Administered by LPMA

The below links are all accessible from www.austlii.edu.au.

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

Biofuels 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

Lake Illawarra Authority Act 1987 No 285

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, jointly the Minister for Climate Change and the Environment, the Minister for Roads, and the Minister for Local Government)
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)
State Property Authority Act 2006 No 40
Strata Schemes (Freehold Development) Act 1973 No 68
Strata Schemes (Leasehold Development) Act 1986 No 219
Surveying and Spatial Information 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 AM

Chief Executive, Surveyor General and Registrar General, SES level 7

Total remuneration package: \$430,450

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 the Land and Property Management Authority's strategies to align with the State Plan.
- Actively led the transition of a number of government entities to form the Land and Property Management Authority which was established in July 2009 through an Administrative Order of Government.
- Continued targeted reviews of legislation and implemented policy and program changes in statutory areas, including significant legislative change to the *Real Property Act 1900* and the *Valuation of Land Act 1916*. Important legislative changes during the year also included amendments to the *Crown Lands Act 1989* and the remaking of the *Wild Dog Destruction Regulation 2009*.
- Focused upon further business development, improvement of delivery mechanisms and access to services.
- Initiated strategies with the Land and Property Management Authority's executive to address emerging workforce issues associated with the creation of the authority.
- 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.
- Developed and implemented strategies designed to improve OHS performance.
- Managed the operations of the Land and Property Management Authority 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.
- Directed the enhancement of the Spatial Information eXchange (SIX) as the spatial platform for NSW and led the collaborative effort across the public sector.
- Led and directed intra-organisational coordination and collaboration in land and property management and development across the State Property Authority, the Hunter Development Corporation, the Festival Development Corporation, the Lake Illawarra Authority, the Chipping Norton Lakes Authority, and the Sydney Harbour Foreshore Authority (from 2 June 2010).
- 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.
- Continued to foster research partnerships relating to issues confronting the agency including intellectual capital reporting, spatial information management and fostered strong ties with tertiary and other academic institutions.

Des Mooney

General Manager, Land and Property Information Division, SES level 5

Remuneration package: \$294,650

Period in position: Whole year

Performance review by: Chief Executive Officer, LPMA

Performance highlights

Maintained profitability of LPI against a backdrop of a recovering property market in NSW following 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:

- the establishment of NECDL Pty Ltd as a tri-state company (NSW, VIC and QLD) limited by guarantee to develop NECS
- 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 2010*

2009/10		
SES level	Male	Female
8	–	–
7	1	–
6	–	–
5	1	–
4	3	–
3	2	–
2	5	1
1	1	–
Total	13	1

* Table does not include SHFA, SPA or HDC SES numbers.

3. Consultants

Consultancies under \$50,000

Nature of consultancy	Number of consultancies	Cost (GST incl.)
Finance and accounting/tax	1	\$2,024
Information technology	–	–
Legal	2	\$25,905
Management services	13	\$197,946
Environmental	11	\$294,156
Engineering	–	–
Organisational review	–	–
Training	–	–
Total consultancies under \$50,000	27	\$520,031

Consultancies over \$50,000

Nature of consultancy	Title and nature of project	Cost (GST incl.)
Finance and accounting/tax	KPMG – NECS Implementation Support Program	\$64,829
Information technology	Ajilon – NECS Requirements	\$323,574
	Optimal Experience Pty Ltd – LPI Online Business Requirements	\$58,520
Legal	Clayton Utz – Legal Framework Report	\$149,843
Management services	Brideisle Business Solutions – Strategic advice on NECS	\$357,212
	Doll Martin & Associates – Review of Customer Feedback Mechanism	\$64,200
	KPMG – Program Effectiveness Review	\$56,255
Environmental	Planning for People Chipping Norton Lakes State Plan of Management	\$100,000
	Clouston Associates Cook Park Plan of Management	\$75,000
	Sutherland Shire Council Kurrunulla State Park Plan of Management	\$100,000
	Albury Plan of Management – GHD	\$75,500
	Riverside Wagga Wagga Strategic Master plan (Kiah Intranet)	\$88,000
	Newcastle Coastline revitalisation strategy	\$71,500
Engineering	GHD – Study Tweed River Sand Bypassing Project – Feasibility Study of Sand Placement Options for System Augmentation	\$330,000
Organisational review	–	–
Training	–	–
Total consultancies over \$50,000	14	\$1,914,433
Total consultancies	41	\$2,434,464

4. Consumer Response

Land and Property Information Division (LPI)

LPI received feedback from 3,508 customers in 2009/10. This represents a 28% increase on 2008/09 results, due to active promotion and resourcing of the 'Customer is our focus' program which accounted for 3,455 customer responses. 333 responses or 9% contained some level of complaint. Compliments related mainly to the provision of services and information, efficiency and helpfulness of staff and the implementation of new services. Complaints and concerns related issues such as the website, air temperature, confusion between OSR and LPMA service. Private customers provided the bulk of feedback.

Following a customer satisfaction survey conducted with LPI's Information Broker network it was found that the Data Conversion and Cleansing Program (DCCP) has helped improve this key stakeholder's group work process. Improvements include:

- the brokers clients can now do more work online
- search turnaround times have been reduced
- productivity has increased by reducing face-to-face manual procedures
- brokers can deliver better value to clients as they avoid higher over-the-counter fees for those searches.

Valuations and Titling and Registry Service call centres developed a referral practice to ensure customers received a complete answer to their enquiry regardless of which call centre they contacted. Valuation call centre enquiries increased by 20% from 2008/09, with 87% resolved at first contact. A survey of customers who called the Valuation Services call centre during the peak time of January to March 2010 showed an overall satisfaction level of 8.2 out of 10 for customers whose call was answered on the initial call. This is an increase on the previous level of 7.8 from the previous survey in 2008. The satisfaction level of those customers who required a call back to complete their enquiry remained steady at 8 out of 10.

In response to customer feedback changes were made to signage and directions, new information brochures and fact sheets were created, the Registrar General's Directions website was improved to include more informative material and the online shop was made more identifiable.

Crown Lands Division

Crown Lands Division received 103 complaints in 2009/10; this was an increase of 27 or 37% on 2008/09. Of the 103 complaints received 93 or 90% related to the determination of rents for domestic waterfront occupations based on the IPART formula. Further analysis identified that these complaints were part of a campaign to lobby for a change in how rents are determined. Crown Lands Division has taken action to have the IPART formula reviewed.

All complaints have been resolved within the target timeframes of 21 days.

Soil Conservation Service Division

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 2009/10 of the 32 requests logged, six related to client complaints in relation to earthworks, nine related to procedure improvements, five related to OHS/environment/incident issues, three non-conformance in process matters, two related to audit findings and four other minor issues.

Three matters remained open at year's end of which four client complaints are still in negotiation. The second year of the operation of the full Integrated Management System showed a marked reduction in the number of requests logged as the system bedded down, as would be expected.

An addition this year included the registration of formal compliments received from clients, three received.

5. Credit Card Certification

During the 2009/10 financial year, credit card use within LPMA was in accordance with Premier's Memoranda, Treasurer's Directions and award conditions for travel related expenses.

Credit card use

Credit card use within LPMA 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 LPMA.

LPMA currently follows 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 are issued with a credit card monthly statement 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 half-yearly report is submitted to Treasury certifying that credit card use in LPMA is within guidelines.

6. Disability Action Plan

A draft LPMA Disability Action Plan 2009–2012 was completed in December 2009. Finalisation of the plan was deferred until the broader planning cluster agency arrangements are confirmed in 2010. A priority for 2010/11 is to review the current draft and finalise in consultation with the agencies now comprising the authority.

In line with the public sector disability action plan guidelines, strategies relating to LPMA staff and employment are reported upon under the EEO Management Plan section.

LPMA's draft Disability Action Plan focuses on services, products and facilities managed or influenced by LPMA that enhance participation and quality of life for people with a disability. Significant strategies in place and achievements over 2009/10 relating to this objective include:

- LPMA sponsorship for the NSW Government 'Don't DIS my ABILITY' Program
- hosting a guest speaker event featuring Tony Purkiss, Ambassador for the Don't DIS my ABILITY campaign at Queens Square attended by 71 staff on 9 December 2009
- the Crown Reserve Trust Handbook for management of reserve trusts includes guidance on access for people with a disability and regulatory requirements on anti-discrimination including on the basis of disability
- Building Code of Australia (BCA) inspections conducted at various LPMA sites include assessment of meeting disability access requirements. Works have been identified and planned in forward capital works plans
- over the last two years, a program to upgrade lifts has been conducted with the result of the Queens Square building north and south lifts being upgraded. It is planned to continue this upgrade over the next three years which involves the remaining three lifts in the Records wing, starting in the 2010/11 financial year. This refurbishment will include compliance with the *Disability Discrimination Act 1992*

- the Bathurst LPMA office has installed an Emergency Evacuation System in 2009/10. This includes strobe lights and alert tones for Emergency Alert and Evacuation, primarily to alert persons with hearing and vision impairment. A similar system already exists at Queens Square
- regional sites such as Tamworth and Hay LPMA offices have had works to improve ramps and handrails
- disability access is investigated with any new development applications for new facilities or the refurbishment of existing facilities on Crown reserves
- LPI continuing to implement programs for converting land and property records and data to digital records. Outcomes will include improved efficient customer service delivery and broader access options for people with a disability. This continuing expansion of digitised records supports LPI's Electronic Service Delivery Program to enhance systems which allow customers to access data and products and pay online either through LPI's Information Broker network, or via SIX and LPI online.

7. Employee Relations

Exceptional movements in salaries and wages during 2009/10

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 2009.

Similarly 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 2009.

A determination by the Statutory and Other Offices Remuneration Tribunal on 2 November 2009 awarded a 3% increase to officers of the senior executive service and statutory office position holders effective from 1 October 2009.

Personnel policies and practices

Arising from a variation to the *Crown Employees (Public Service Conditions of Employment) Award*, the new flexible work practice of purchased leave was introduced within LPMA. The scheme provides staff with the option to take a reduction in salary over a 12 month period which permits them to 'purchase' additional paid leave above their normal annual leave entitlements. Purchased leave allows staff greater opportunity to achieve a better balance of work and personal responsibilities.

The introduction of the new scheme was promoted throughout LPMA and to date six employees have taken advantage of the purchased leave scheme.

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. A training needs analysis was undertaken and outcomes implemented for LPI during 2009/10.

For the fourth year, LPMA participated at the National Careers Expo in Sydney highlighting the Careers that Count initiative aimed at promoting working in the NSW public sector.

LPMA has completed the migration from the Computerised Human Resources Information System (CHRIS) to the SAP HR system. The move to SAP HR and integration with the existing SAP Finance system has provided opportunities to streamline processes and automate transactions currently carried out on a manual basis across LPMA businesses.

Industrial relations

The majority of LPMA employees (96%) are covered by three major awards the *Crown Employees (NSW Department of Lands – Departmental Officers) Award*, the *Crown Employees (Department of Lands – Graphic Service Operators) Award* and the *Conservation Field Officers Award*. 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.

LPMA 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 LPMA and major issues affecting the organisation and staff.

Staff numbers*

		2009/10		
		Men	Women	Total
Permanent	Full-time	879	476	1,355
	Part-time ¹	7	86	93
Temporary	Full-time	64	58	122
	Part-time	10	9	19
Contract	SES	13	1	14
	Non-SES	2	–	2
Training		2	1	3
Casual		16	4	20
TOTAL		993	635	1,628

1. Permanent part-time staff include permanent full-time staff who have elected to work part-time for an agreed period.

* Table does not include SHFA, SPA or HDC SES numbers.

8. Equal Employment Opportunities

EEO initiatives for the 2009/10 reporting year have focused on development and support for women, Aboriginal staff, staff with a disability and young people entering the workforce.

Strategies to support female staff members

The LPMA Spokeswomen's Program continued to operate until December 2009, providing development opportunities for the participating spokeswomen and sponsorship for other female staff members to participate in relevant events including:

- the Spokeswomen sponsored two female staff (one from metro/one from regional NSW) to undertake the Springboard Program, a career development program for women
- all Spokeswomen received training in selection techniques to increase the pool of women, particularly in regional offices, who are trained to participate in selection committees for recruitment
- a presentation to senior managers by the ten LPMA Spokeswomen completing their three-year terms in December 2009 on projects undertaken throughout their terms and the outcomes achieved for the authority.

An evaluation of the Spokeswomen's Program indicated the program was successful in developing participants and motivating them to pursue career goals. A number of participating staff gained promotions and/or places on training and development programs such as the eMentoring Pilot and the Public Sector Management Program, commenced tertiary study and/or initiated a career path change.

Over the next financial year, LPMA will review its approach to supporting the employment and career development of women to ensure strategies remain contemporary and the most beneficial to achieving outcomes.

Additional activities targeted to female staff development included:

- LPMA participation in the DPC sponsored eMentoring Pilot finishing at the end of July 2009. LPMA participated in the pilot through provision of mentors and had two women from regional offices selected as mentees
- LPMA corporate sponsorship for ten women to attend the UNIFEM Breakfast for International Women's Day at Darling Harbour on 5 March 2010
- LPMA sponsorship of women at Orange and Moree to attend International Women's Day events.

Staff with a disability

The authority continues to improve its systems for providing workplace adjustment where feasible for staff with work related injuries, health issues or disability. The Workforce Health and Safety Unit provides a source of expertise and advice for managers and staff requiring workplace adjustment including the running of briefings for managers and supervisors throughout the state where required.

The authority employs a number of staff with a hearing impairment and supports these staff with the provision of Auslan interpreters and other technology such as hearing loops in meeting rooms to assist with communication.

Over the reporting year, the Land and Property Information Division provided training in deaf awareness and use of sign language to staff who may need to communicate with a deaf co-worker.

Young people entering the workforce

LPMA supported the NSW Government JumpSTART Cadetship Program designed to help young people under the age of 25 years enter the workforce and take up careers in the NSW public sector resulting in the following outcomes.

- Six trainee spatial information officers employed on a two-year program by the Land and Property Information Division.
- One Aboriginal trainee administration officer employed on a one-year program by the Crown Lands Division.

LPI continue to provide significant support to young people entering the workforce for the first time or developing their careers through their Vision 2013 Graduate and Trainee program aligned to workforce planning objectives.

Aboriginal Support Network

The Aboriginal Support Network (ASN) comprises of Aboriginal staff who wish to participate in the running of the network from the following government agencies.

- Land and Property Management Authority.
- NSW Office of Water.
- Department of Planning.
- State Water Corporation.
- Catchment Management Authorities.

LPMA is currently the hosting agency for the ASN.

The ASN met every quarter at various locations around the state during the financial year of 2009/10. A key event during this financial year was the ASN 20 Year Reunion Dinner held at Nowra.

The first gathering was held at the beginning of September 2009 at Orange. The ASN left Orange with local elder James Williams to visit a local Aboriginal community project 'Shadforth' which was nominated for the NSW Landcare Awards. Other sites visited were Federal Falls, sites at Mt Canobolas, Borenore Caves 'women's sites', Yurinighs Grave and The Springs. James provided a local history of these known Aboriginal sites together with their management concerns.

The second gathering was the ASN Annual General Meeting held towards the end of November 2009 on the south coast at Nowra. This was a significant meeting for the ASN members commencing with the ASN visit to the local Aboriginal community of Wreck Bay. The local elder and Aboriginal Sites Officer James McKenzie provided the ASN with the local history of the community and what the local community is working for in the future in relation to management of Booderee National Park.

The ASN also participated in a guided tour around the local community lands which included shell midden sites protection and burials sites. The ASN members presented the local community preschool, Gudjahgahmiamia Daycare with Christmas gifts for the children and a donation towards much needed books. The afternoon was spent with the crew from Booderee Botanical Gardens which gave members a briefing on what they do in relation to native plants, bush tucker plants, running the national park/gardens and the involvement of the local Wreck Bay Aboriginal community with the running of Booderee National Park. The staff also gave members a rundown of the recent many tourism awards won by the park.

The ASN held its 20-Year Reunion Dinner at the Nowra Golf Club with many current and former members making the trip to Nowra to celebrate this milestone. In attendance also was Mr Graham Harding, General Manager Crown Lands. The highlight of the night was the slide show presentation of 20 years of ASN meetings put together by former member Cliff Daylight. The night was considered a great success by all participants.

The third gathering was held at the beginning of March 2009 at Tamworth. This meeting had a significant cultural focus. Members viewed a local project between TAFE and Namoi CMA in the vicinity of the Tamworth Regional Botanical Gardens. The ASN participated in a guided tour of the site including the viewing of many Aboriginal artefacts. The visit enabled the ASN members to hear first hand from the community about management concerns and goals the local community want to see from the project.

In addition, ASN members were given the opportunity to learn about the local Aboriginal Education Package taught to local school children in Kamilaroi/Gamilaraay language 'ngamilimali ngiyaningu gaayindjuulgu giirr' which means 'Teach Our Children Well'. Members participated in classes of language, dance and storytelling and were given the chance to speak to the young men and women who have participated in this program over the years to hear what they have learnt and gained from their experience about learning their own language and culture. Members were very keen to see if this program could be adopted into their local communities and language. The ASN members acknowledged the success the local community was achieving in teaching their culture to the younger generation.

The fourth gathering held at the start of June 2009 at Kempsey focused on training for members. The training was held at the local Aboriginal Booroongen Djugun College and covered Microsoft PowerPoint presentation skills, Copyright and Intellectual Property Rights. Members attending were awarded accredited Statement of Attainments.

ASN members also visited local Aboriginal sites including the Kinchela Boys Home which housed Aboriginal boys of the Stolen Generation and now operates as Bennelong Haven, a drug and alcohol rehabilitation centre.

The ASN acknowledges the hard work and efforts of all members who organise these meetings for the year and showcase their local areas.

TABLE A – 2009/10 trends in the representation of EEO groups¹		
EEO group	Benchmark or target %	% of total staff ²
Women	50	39.20%
Aboriginal people and Torres Strait Islanders	2	1.50%
People whose first language was not English	20	13.40%
People with a disability	12	5.30%
People with a disability requiring work-related adjustment	7	1.20%

TABLE B – 2009/10 trends in the distribution of EEO groups		
EEO group	Benchmark or target %	Distribution index ³
Women	100	85
Aboriginal people and Torres Strait Islanders	100	82
People whose first language was not English	100	90
People with a disability	100	93
People with a disability requiring work-related adjustment	100	n/a

1. Staff numbers are as at 30 June 2010.
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.

9. Freedom of Information (FOI)

Advice on accessing information is available online or by contacting LPMA.

Section A – New FOI applications	Number of applications		
How many FOI applications were received, discontinued or completed?	Personal	Other	Total
A1 New	10	96	106
A2 Brought forward	0	5	5
A3 Total to be processed	10	101	111
A4 Completed	9	95	104
A5 Discontinued	0	0	0
A6 Total processed	9	95	104
A7 Unfinished (carried forward)	1	6	7

Section B – Discounted FOI applications	Number of discounted EOI applications		
Why were FOI applications discontinued?	Personal	Other	Total
B1 Request transferred out to another agency (s.20)	0	0	0
B2 Applicant withdrew request	0	0	0
B3 Applicant failed to pay advance deposit (s.22)	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
B5 Total discontinued	0	0	0

Section C – Completed FOI applications	Number of completed EOI applications		
What happened to completed FOI applications?	Personal	Other	Total
C1 Granted or otherwise available in full	8	86	94
C2 Granted or otherwise available in part	1	7	8
C3 Refused	0	2	2
C4 No documents held	0	0	0
C5 Total completed	9	95	104

Section D – Applications granted or otherwise available in full	Number of FOI applications (Granted or otherwise available in full)		
How were the documents made available to the applicant?	Personal	Other	Total
All documents requested were:			
D1 Provided to the applicant	8	86	94
D2 Provided to the applicant's medical practitioner	0	0	0
D3 Available for inspection	0	0	0
D4 Available for purchase	0	0	0
D5 Library material	0	0	0
D6 Subject to deferred access	0	0	0
D7 Available by a combination of any of the reasons listed in D1 – D6 above	0	0	0
D8 Total granted or otherwise available in full	8	86	94

Section E – Applications granted or otherwise available in part	Number of FOI applications (Granted or otherwise available in part)		
How were the documents made available to the applicant?	Personal	Other	Total
All documents requested were:			
E1 Provided to the applicant	1	7	8
E2 Provided to the applicant's medical practitioner	0	0	0
E3 Available for inspection	0	0	0
E4 Available for purchase	0	0	0
E5 Library material	0	0	0
E6 Subject to deferred access	0	0	0
E7 Available by a combination of any of the reasons listed in D1 – D6 above	0	0	0
E8 Total granted or otherwise available in part	1	7	8

Section F – Refused FOI applications	Number of refused FOI applications		
Why was access to the documents refused?	Personal	Other	Total
F1 Exempt	0	2	2
F2 Deemed refused	0	0	0
F3 Total refused	0	2	2

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?			
Restricted documents			
G1 Cabinet documents (Clause 1)	0	0	0
G2 Executive Council documents (Clause 2)	0	0	0
G3 Documents affecting laws enforcement and public safety (Clause 4)	0	0	0
G4 Documents affecting counter terrorism measures (Clause 4A)	0	0	0
Documents requiring consultation			
G5 Documents affecting intergovernmental relations (Clause 5)	0	0	0
G6 Documents affecting personal affairs (Clause 6)	0	0	0
G7 Documents affecting business affairs (Clause 7)	1	9	10
G8 Documents affecting the conduct of research (Clause 8)	0	0	0
Documents otherwise exempt			
G9 Schedule 2 exempt agency	0	0	0
G10 Documents containing information confidential Olympic committees (Clause 22)	0	0	0
G11 Documents relating to threatened species, Aboriginal objects or Aboriginal places (Clause 23)	0	0	0
G12 Documents relating to threatened species conservation (Clause 24)	0	0	0
G13 Plans of management containing information of Aboriginal significance (Clause 25)	0	0	0
G14 Private documents in public library collections (Clause 19)	0	0	0
G15 Documents relating to judicial functions (Clause 11)	0	0	0
G16 Documents subject to contempt (Clause 17)	0	0	0
G17 Documents arising out of companies and securities legislation (Clause 18)	0	0	0
G18 Exempt documents under interstate FOI legislation (Clause 21)	0	0	0
G19 Documents subject to legal professional privilege (Clause 10)	0	0	0
G20 Documents containing confidential material (Clause 3)	0	0	0
G21 Documents subject to secrecy provisions (Clause 12)	0	0	0
G22 Documents affecting the state's economy (Clause 14)	0	0	0
G23 Documents affecting financial or property interests of the state or an agency (Clause 15)	0	0	0
G24 Documents concerning operations of agencies (Clause 16)	0	0	0
G25 Internal working documents (Clause 9)	0	0	0
G26 Other exemptions (e.g.: Clauses 20, 22A and 26)	0	0	0
G27 Total applications including exempt documents	1	9	10

Section H – Ministerial certificates (s.59)	Number of Ministerial certificates
How many Ministerial certificates were issued?	
H1 Ministerial certificates issued	0

Section I – Formal consultations	Number
How many formal consultations were conducted?	
I1 Number of applications requiring formal consultation	53
I2 Number of persons formally consulted	99

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?	
J1 Agreed in full	0
J2 Agreed in part	0
J3 Refused	0
J4 Total	0

Section K – Notation of personal records	Number of applications for notation
How many applications for notation of personal records were made (s.46)?	
K1 Applications for notation	0

Section L – Fees and costs	Assessed costs \$	Fees received \$
What fees were assessed and received for FOI applications processed (excluding applications transferred out)?		
L1 All completed requests	3,420	3,420

Section M – Fee discounts	Number of FOI applications (where fees were waived or discounted)		
How many fee waivers or discounts were allowed and why?	Personal	Other	Total
M1 Processing fees waived in full	0	0	0
M2 Public interest discounts	0	0	0
M3 Financial hardship discounts – pensioner or child	0	2	2
M4 Financial hardship discounts – non-profit organisation	0	1	1
M5 Total	0	3	3

Section N – Fee refunds	Number of refunds
How many fee refunds were granted as a result of significant correction of personal records?	
N1 Number of fee refunds granted as a result of significant correction of personal records	0

Section O – Days taken to complete request	Number of completed FOI applications		
How long did it take to process completed applications?	Personal	Other	Total
O1 0–21 days – statutory determination period	9	42	51
O2 22 to 35 days – extended statutory determination period for consultation or retrieval of archived records	0	53	53
O3 Over 21 days – deemed refusal where no extended determination period applies	0	0	0
O4 Over 35 days – deemed refusal where extended determination period applies	0	0	0
O5 Total	9	95	104

Section P – Processing time: hours	Number of completed FOI applications		
How long did it take to process completed applications?	Personal	Other	Total
P1 0 – 10 hours	9	95	104
P2 11– 20 hours	0	0	0
P3 21 – 40 hours	0	0	0
P4 Over 40 hours	0	0	0
P5 Total	9	95	104

Section Q – Number of reviews	Number of completed reviews
How many reviews were finalised?	
Q1 Internal reviews	2
Q2 Ombudsman reviews	0
Q3 ADT reviews	0

Section R – Results of internal reviews	Number of internal reviews		
Grounds on which the internal review was requested	Personal	Other	Total
R1 Access refused	0	0	0
R2 Deferred	0	0	0
R3 Exempt matter deleted from documents	2	0	2
R4 Unreasonable charges	0	0	0
R5 Failure to consult with third parties	0	0	0
R6 Third parties views disregarded	0	0	0
R7 Amendment of personal records refused	0	0	0
R8 Total	2	0	2

10. Funds Granted to Non-Government Community Organisations

Local parks and reserves program

Reserve/Trust manager	Project	Grant \$	Loan \$	Total \$
Wagga Wagga City Council	Improvements to Pomingalarna Park	5,000	–	5,000
Wellington City Council	Playground equipment at Tom Culkin Oval	10,000	–	10,000
Eurimbla Public Hall Trust	Kitchen upgrade	5,000	5,000	10,000
Bilbul Common Reserve Trust	Demolish hall building	1,440	–	1,440
Port Stephens Council	Improvements to Birubi Headland	100,000	–	100,000
Ballina Council	Upgrade to Lennox Surfing Reserve walking track; shower, seating and car park	60,000	–	60,000
Kangaroo Valley Pioneer Settlement Reserve Trust	Building repairs	1,500	–	1,500
Riley's Hill Dry Dock Reserve Trust	Composting toilet	2,665	–	2,665
North Codrington Flood Refuge Reserve Trust	Fencing works	2,350	–	2,350
Girl Guides NSW Reserve Trust	Repairs to hall	2,500	–	2,500
Coffs Harbour Preservation of Native Flora Reserve Trust	Bush regeneration	500	–	500
Keerong Public Hall Reserve Trust	Repair sewer, guttering and downpipes	3,047	–	3,047
Ruthven Recreation and Preservation of Native Flora Reserve Trust	Upgrade all weather access road	1,800	–	1,800
Upper Orara Recreation Reserve Trust	Plumbing repairs	1,600	–	1,600
Copmanhurst War Memorial Reserve Trust	Exterior painting of hall	2,500	–	2,500
Paterson Street Hilltop Reserve Trust	Erosion control works	2,500	–	2,500
Rosebank Recreation Reserve Trust	Install composting toilet	6,000	–	6,000
Tyndale Flood Refuge Reserve Trust	Construct holding paddock	2,640	–	2,640
Upper Manilla Public Recreation And Public Hall Reserve Trust	Upgrade amenities block and covered walkway	4,000	–	4,000
Waratah Community Reserve Trust c/- Ethnic Communities Council	Remove asbestos and replace ceiling and fittings	16,000	–	16,000
Binya Public Hall Trust	Upgrade electricals, septic system and air conditioning	10,000	–	10,000

Reserve/Trust manager	Project	Grant \$	Loan \$	Total \$
Majors Creek Recreation Reserve Trust	Upgrade windows, screen doors and flooring and provide wheelchair access	4,950	–	4,950
Araluen Recreation Reserve Trust	Replace part of boundary fence	3,025	–	3,025
Moulamein Swimming Pool Trust	Replace swimming pool pumps	5,000	–	5,000
Griffith Band Trust	Fencing and installation of air conditioner	2,500	–	2,500
Old Bega Hospital Reserve Trust	Operational grant	2,970	–	2,970
Bermagui Flora and Fauna Reserve Trust	Operational grant	690	–	690
Pambula Wetlands and Heritage Reserve Trust	Operational grant	2,210	–	2,210
Wolumla Park Reserve Trust	Demolish shed and level site	3,075	–	3,075
Ulladulla Native Flora and Fauna Reserve Trust KA South Pacific Headland RT	Interpretive signage	3,000	–	3,000
Tantawanglo Recreation Reserve Trust	Cattle troughs and other repairs	1,311	–	1,311
Lightning Ridge Historical Society Reserve Trust	Fire extinguishers	566	–	566
Tilpa Community Hall Reserve Trust	Purchase & install new gas stove	3,298	–	3,298
Gooloogong Memorial Hall Trust	Improvements to hall	7,600	–	7,600
Cumborah Recreation Reserve Trust	Purchase and install water tanks	6,510	–	6,510
Clare Balranald Recreation Reserve Trust	Restore roof & fascia guttering	7,416	–	7,416
Buronga Caravan Park Reserve Trust	Improvements to camp kitchen & ablution block	10,000	–	10,000
Broken Hill Regional Event Centre Reserve Trust	Upgrade fire hydrants	8,166	–	8,166
Lightning Ridge Kindergarten Reserve Trust	Resurfacing of veranda	1,400	–	1,400
Mullion Creek Public Hall & Recreation Reserve Trust	Replace kitchen	1,000	–	1,000
Hillston Common Trust	Supply bore water	7,000	–	7,000
Gore Hill Memorial Cemetery Trust	Ongoing maintenance and replace shed	48,000	–	48,000
St Albans Common Trust	Plumbing, veranda and woodwork repairs	2,164	–	2,164

Reserve/Trust manager	Project	Grant \$	Loan \$	Total \$
Moonan Flat Recreation Reserve Trust	Fencing arena area around the ground	15,000	–	15,000
Burringbah Public Recreation Reserve Trust	Playground equipment	5,000	7,000	12,000
Glenreagh Public Recreation Reserve Trust	Water reticulation and canteen improvements	700	5,300	6,000
Ellangowan Public Hall Reserve Trust	Level out hall floor	3,050	3,000	6,050
Ebor Conservation and Recreation Reserve Trust	Operational grant	3,000	–	3,000
Crown Reserve 82377 at Moruya	Building demolition	33,807	–	33,807
Essys Crossing Public Recreation Reserve Trust	All weather shed	5,000	–	5,000
Berrima Court House Trust	Building maintenance	149,500	8,500	158,000
Nangus Recreation Trust	Roofing works	6,500	–	6,500
Maitland City Council	Maintenance of Les Darcy Gravesite	10,000	–	10,000
Woolbrook Reserve Trust	Upgrade amenities block	30,000	10,000	40,000
Total		634,450	38,800	673,250

Showgrounds program

Reserve/Trust manager	Project	Grant \$	Loan \$	Total \$
Dorrigo Showground Trust	Tree removal	25,000	15,000	40,000
Murwillumbah Showground Trust	Upgrade amenities	15,000	25,000	40,000
Bungendore Showground Trust	Power upgrade	16,000	16,000	32,000
Walgett Shire Council	Power upgrade at showground	6,000	14,000	20,000
Tullamore PA&H Assoc	Replacement sheep/cattle yards and horse jumps at showground	6,350	4,000	10,350
Leeton Showground Trust	Construct transportable amenities	16,000	10,000	26,000
Gulgong Showground Trust	Roadworks at entrance gates	5,000	5,000	10,000
Bonalbo Showground Trust	Replace guttering	6,500	6,500	13,000
Junee Showground Trust	Construct disabled amenities	6,000	4,000	10,000
Mullumbimby Showground Trust	Replace water pipes	7,000	7,000	14,000
Parkes Showground Trust	Build steel men's shed	7,500	–	7,500
Camden Haven PA&H	Construct men's shed, replace water pipes and water tanks at Kendall Showground	14,577	12,000	26,577
Cabonne Council	Construct animal nursery at Molong Showground	4,000	2,000	6,000
Crookwell A P & H Society Inc	Construct additional yards at Crookwell Showground	9,500	9,500	19,000

Reserve/Trust manager	Project	Grant \$	Loan \$	Total \$
Dungog Shire Council	Structural improvements to pavilion at Dungog Showground	8,363	8,000	16,363
Dorrigo Showground Trust	Construct all weather access road	3,850	–	3,850
Candelo Showground Trust	Replace water pipes	2,000	1,000	3,000
Tenterfield Showground Trust	Upgrade amenities	18,416	18,400	36,816
Walcha Showground Trust	Replace water pipes, upgrade PA and provide additional lighting	4,000	6,000	10,000
Ashford Showground Trust	Upgrade power system	10,000	10,000	20,000
Shoalhaven City Council	Upgrade spectator facilities at Nowra Showground	6,500	6,500	13,000
Bellingen Showground Trust	Upgrade pavilion	8,750	16,000	24,750
Gresford Park Showground Trust	Upgrade power system	8,088	10,000	18,088
Inverell Showground Trust	Upgrade amenities	10,000	15,000	25,000
Wagga Wagga Show Society	Upgrade amenities at Wagga Wagga Showground	10,000	20,000	30,000
Gunnedah Showground Trust	Upgrade amenities	20,000	30,000	50,000
Deniliquin Council	Upgrade power system at Memorial Park Showground	10,000	15,000	25,000
Murwillumbah Showground Trust	Upgrade power system	5,000	10,000	15,000
Bathurst Showground Trust	Upgrade amenities	10,000	15,000	25,000
Cessnock and District Agricultural Assoc	Upgrade amenities at Cessnock Showground	5,000	5,000	10,000
Total		284,394	315,900	600,294

Caravan parks development works program

Reserve/Trust manager	Project	Grant \$	Loan \$	Total \$
Kempsey Shire Council	Upgrade access to Mattys Reserve	–	255,000	255,000
Kempsey Shire Council	Horseshoe Bay–business and management plan, modify amenities blocks, pathways, landscaping, cabins and cabin improvements, electrical works, upgrade sullage and water, fencing, dryers and computers	15,000	1,158,500	1,173,500
Great Lakes Council	Jimmys Beach–plan of management	20,000	10,000	30,000
North Coast Accommodation Trust	Clarks Beach–reception area, refurbishment of the laundry and amenities block, replacement of a second amenities block and the installation of two barbecues		465,000	465,000
Bellinger Heads Holiday Parks Trust	North Beach Holiday Park–plan of management	19,000	–	19,000
Bellinger Heads Holiday Parks Trust	Urunga Heads Holiday Park–upgrade car parks, install infrastructure for entry and establish cycle way and footpath	–	425,000	425,000
Scotts Head Reserve Trust	Scotts Head Holiday Park–upgrade amenities block	–	300,000	300,000
Kempsey Shire Council	Stuarts Point–plan of management, erection of amenities blocks for day users and caravan park patrons	5,000	380,000	385,000
Kempsey Shire Council	Hat Head–plan of management, upgrade playground including erection of shade cloth, installation of swings and soft fall area	5,000	70,000	75,000
Kempsey Shire Council	Grassy Head–plan of management	5,000	–	5,000
Kempsey Shire Council	Crescent Head–plan of management	5,000	–	5,000
Port Stephens Council	Fingal Bay–replace cabins and upgrade recreation room	–	1,300,000	1,300,000
Port Stephens Council	Halifax–new cabins	–	600,000	600,000
Pittwater Council	Lakeside–plan of management	10,000		10,000
Wyong Council	Toowoan Bay–landscaping, BBQ shelter and recreation facility	–	124,400	124,400
Wyong Council	Norah Head–landscaping, BBQ shelter and recreation facility	–	72,050	72,050
Wyong Council	Canton Beach–landscaping, BBQ shelter and recreation facility	–	96,250	96,250

Reserve/Trust manager	Project	Grant \$	Loan \$	Total \$
Wyong Council	Budgewoi–recreation facility	–	46,750	46,750
Shoalhaven Council	Crookhaven Heads Caravan Park– upgrade electricity, provision of shade sails, upgrading wireless and security infrastructure and playground	–	173,250	173,250
Shoalhaven Council	Bendalong Point Caravan Park– amenities block, provision of shade sails, upgrading wireless and security infrastructure and playground	–	323,250	323,250
Shoalhaven Council	Shoalhaven Heads Caravan Park– recreational jumping pillow, upgrading wireless and security infrastructure and playground	–	68,250	68,250
Shoalhaven Council	Currarong–recreational jumping pillow, upgrading wireless and security infrastructure, playground and sewer system	–	368,250	368,250
Shoalhaven Council	Lake Conjola Caravan Park– recreational jumping pillow, upgrade sewerage, upgrade wireless and security infrastructure, new cabins, ensuite units, playground and amenities block	–	791,250	791,250
Shoalhaven Council	Ulladulla Caravan Park–upgrading wireless and security infrastructure, playground and access stairs to Lobster Beach	–	143,250	143,250
Shoalhaven Council	Burrill Lake Caravan Park–upgrading wireless and security infrastructure and playground	–	43,250	43,250
Shoalhaven Council	Lake Tabourie Caravan Park–sewer works, jumping pillow, upgrading electricity, upgrading wireless and security infrastructure, playground and ensuite units	–	341,250	341,250
Shoalhaven Council	White Sands Caravan Park–camp kitchen and family cabins	–	560,000	560,000
Total		84,000	8,114,950	8,198,950

Consultancy program

Reserve/Trust manager	Project	Grant \$	Loan \$	Total \$
Ryde City Council	POM for Ryde Riverside Park	12,500	–	12,500
WetlandCareAustralia	POM for Redrock Reserve	7,000	–	7,000
Griffith Showground Trust	POM for Griffith Showground	16,800	–	16,800
Tumut Shire Council	POM Adelong Falls	20,000	20,000	40,000
Dargan Creek Trust	POM for Dargan Creek	30,000	–	30,000
Tyalgum Recreation Reserve Trust	POM for Tyalgum Recreation Reserve	10,000	–	10,000
Bidjigal Reserve Trust	POM for Bidjigal Reserve	30,000	–	30,000
Mosman City Council	POM for Chinaman's Beach Reserve	15,000	–	15,000
Mosman City Council	POM for Pariwi Park Reserve	7,500	–	7,500
Ferntree Gully Reserve Trust	Fire management plan	2,000	–	2,000
Total		150,800	20,000	170,800

Reserves of high visitation/regional significance

Reserve/Trust manager	Project	Grant \$	Loan \$	Total \$
Burrendong Arboretum Trust	Flooring for caretaker's cottage	7,500	–	7,500
Wollongong City Council	Bulli Tops Water Filtration system	100,000	–	100,000
Burrendong Arboretum Trust	Operational grant for 2009/10	90,000	–	90,000
Mount Arthur Reserve Trust	Operational grant for 2009/10	5,000	–	5,000
Goobarragandra Valley Reserves Trust	Operational grant for 2009/10	11,500	–	11,500
Penrose Park Recreation Reserve Trust	Operational grant for 2009/10	20,000	–	20,000
Burrendong State Park Trust	Administrator and operational funds	299,200	–	299,200
Wee Jasper Reserves Trust	Operational grant for 2009/10 and upgrading of rubbish compound	85,000	–	85,000
Total		618,200	–	618,200

Crown reserve projects

Reserve	\$
Snug Cove and Environs Master Plan	82,268
Chipping Norton Plan of Management	22,351
Ballina Boat Harbour	27,270
Cabarita Holiday Park	19,811
Jack Evans Boat Harbour Reserve	66,329
Waterways Program	137,323
Goolawah Regional Reserve	5,023
Yasmar Reserve	15,755
Port Macquarie CBD Crown Foreshores	41,737
Lot 490 Ecotourism Development	11,871
Angourie Surfing Reserve	2,869
Wollongong Harbour Development	26,300
Foster Tuncurry Development	99,247
Tweed Commercial Marina	55,349
Tweed Coast Regional Crown Reserve	3,248
Nelson Bay Foreshore	5,672
Mereweather Beach POM	23,565
King Edward Headland Restoration	21,731
Newcastle Beaches Coastal Reserves	65,000
Port Stephens Regional Crown Reserve Project	20,028
Coffs Harbour Foreshores	17,053
Cook Park Plan of Management	15,806
Restoration Works on Southern Rivers	20,000
Total	805,606

In addition, the PRMF provides funds for the ongoing maintenance of walking tracks, waterside reserves, campsites and major recreational projects administered by LPMA. During 2009/10 funds spent are as follows.

PRMF funding for major recreational projects	\$
South Region Walking Tracks and Waterside Reserves	17,882
Hume and Hovell Walking Track	20,677
Great North Walk	93,369
Wiradjuri Walking Track	5,835
Total	137,763

Land and Property Information Division

Organisation	Project	Grant \$
Australian Computer Society	Grant to support one scholarship place at Charles Sturt University – 1st yr student	2,700
Australian Computer Society	Grant to support one scholarship place at Charles Sturt University – 2nd yr student (Lachlan Webb)	7,000
Spatial Information Systems Research	Contribution to CRC for Spatial Information	250,000
Cooperative Research Centre for Spatial Information	Contribution for Spatial Infrastructure Australia proposal	12,500
Cooperative Research Centre for Spatial Information	Contribution for Spatial Information at UNSW	100,000
Cooperative Research Centre for Spatial Information	National Disaster Mitigation Programme	60,000
National E-Conveyance Development	Contribution to the development of a National Electronic Conveyancing System	1,666,666.66
Surveying and Spatial Sciences Institute	Regional Gold partnership	4,545.45
Dept of Environment, Climate Change & Water	Contribution to the Natural Resources and Environment CEO Cluster Group	7,786
University of Melbourne	ARC Linkage Project – A National Infrastructure to Manage Land Information	30,000
University of Melbourne	ARC Linkage Project – Automating and Integrating Spatial Data & Metadata Processes	20,000
Landgate	Contribution to ANZLIC Economic Study on Spatial Data Access & Pricing	\$27,272.73
Total		\$2,188,470.84

11. Land Disposal

There were four lands with a value greater than \$5.0 million disposed for no or nil consideration. That is, they were either acquired by NSW Government Entity or transferred to create reserve. They are:

Location	Carrying value	Reason for disposal	Gazette details
Long Bay at Local Government Area of Randwick	\$5.6 million	Acquired to create Health Administration Corporation through <i>Land Acquisition Act 1991</i> and <i>Health Administration Act 1982</i>	Gazette No.: 56 (1974), 23 Apr 2010
Local Government Area of Warringah	\$13.8 million	Acquired to create Sporting Venue through <i>Land Acquisition Act 1991</i> & <i>Sporting Venues Authorities Act 2008</i>	Gazette No.: 131(5175), 18 Sep 2009
Blue Mountains at Local Government Area of Penrith	\$13.3 million	Transferred to create reserve through <i>Crown Lands Act 1989</i>	Gazette No.: 117(4891), 28 Aug 2009
Singleton at the Local Government Area of Singleton	\$39.9 million	Transferred to create reserve through <i>Crown Lands Act 1989</i>	Gazette No.: 156(5527), 30 Oct 2009

Documents supporting the transactions are held with LPMA and may be sought under *FOI Act 1989*.

12. Legislation and Legal Change

During the year a number of reviews were completed, and amendments made, to the legislation and regulations administered by LPMA, as set out below.

Reviews

Review of the Powers of Attorney Act 2003

LPMA conducted an extensive review into the *Powers of Attorney Act 2003* (the Act). The review process involved producing an issues paper, which was circulated state wide, and sought comments and submissions from relevant stakeholders and the public. The resulting comments and submissions were then used to prepare a report, which listed recommendations to help improve the objectives and operation of the Act. The report was tabled in Parliament in December 2009.

The process of implementing the recommendations in the report is continuing and the LPMA is working closely with stakeholders to assist in this regard.

Amended legislation

Real Property (Land Transactions) Act 2009

The *Real Property (Land Transactions) Act 2009* (the Act) amended the *Real Property Act 1900* to enable introduction of an electronic system for lodgment of a Notice of Sale (known as eNOS). The amendments enable a Notice of Sale to be lodged either manually with a dealing or electronically before the dealing is lodged for registration. The Act also requires that the information contained in the Notice of Sale be certified as correct and clarifies the circumstances where a claim will be made from the Torrens Assurance Fund where a loss arises as a result of an error with a notice of sale.

Valuation of Land Amendment Act 2009

The *Valuation of Land Amendment Act 2009* (the Act) amended the *Valuation of Land Act 1916* and the *Heritage Act 1977* with regard to the valuation of heritage restricted land. Land value is ordinarily determined on the general assumption that there are no improvements on the land and that the land can be used for any purpose for which it is being used or could legally be used. This is not the case for heritage restricted land, where the use of the land is restricted by the nature of the buildings erected on it. The Act clarified the assumptions that the Valuer General is to make when assessing the value of heritage land for rating or taxing purposes.

Registrar-General Legislation (Amendment and Repeal) Act 2010

The *Registrar-General Legislation (Amendment and Repeal) Act 2010* (the Act) made a number of reforms to the office of the Registrar General.

The Act enabled the Registrar General to delegate his powers and functions to another person. This allows the Registrar General to better co-ordinate his functions and ensure that someone is always available to undertake his role during periods of absence.

As part of the reform, the *Registrar-General Act 1973* was repealed and the delegation provisions were inserted into the *Real Property Act 1900*, thus consolidating many of the Registrar General's functions into the one piece of legislation. The Act also did away with the executive appointment of the Deputy Registrar General, and made other consequential amendments to the *Oaths Act 1900* and the *Interpretation Act 1967*.

Crown Lands Amendment (Special Purpose Leases) Act 2010 No 10

This amendment to the *Crown Lands Act 1989* extends the provisions with respect to Special Purpose Leases in the Western Division of the state to the Central and Eastern Division of the state. This amendment commenced on 28 April 2010.

Statute law revision

Section 32 of the *Real Property Act 1900* was amended by the *Statute Law (Miscellaneous Provisions) Act (No 2) 2010*. The purpose of the amendment was to reduce the amount of private information on the Torrens Register by enabling the Registrar General to note the fact that a proprietor is a minor without having to record the particulars of the minor's date of birth.

Regulations

During the year the *Wild Dog Destruction Regulation 2004* was reviewed and remade as part of the ongoing process of regulatory reform required by the *Subordinate Legislation Act 1989*. In consultation with the Wild Dog Destruction Board the review considered the level of rates to be charged to land owners in the Western Division for maintenance of the dingo control fence.

Significant judicial decisions affecting LPMA or users of its services

Elfar v Registrar General [2010] NSWSC 539 (Decision of Ward J. 4 June 2010)

Mr. Elfar brought proceedings for compensation from the Torrens Assurance Fund for loss or damage suffered by reason of an alleged fraudulent discharge of a 2nd mortgage securing funds advanced by him. The Registrar General considered that not only had Elfar failed to establish his allegation of forgery, but also, little or no loss would have been suffered by him in any event had a transfer under power of sale been lodged, as the proceeds of sale would have been used to pay out the first mortgage. Little if any surplus would have been available to pay out Elfar's second mortgage.

Ultimately, Elfar failed to make out that the discharge of mortgage was registered as a consequence of fraud. The Registrar General's defence was not only based on the above premise, but also on the provisions of Section 129 (2) (a) and (c) of the *Real Property Act 1900*. These subsections broadly state that compensation is not payable to the extent to which the loss or damage is a consequence of any act or omission by a person, or to the extent to which a person has failed to mitigate the loss or damage.

Justice Ward found for the Registrar General, dismissing the claim with costs.

The case illustrates the importance of strategically drafting defences, and the value of issuing subpoenas. It was through the diligence of the Registrar General, in reviewing copious subpoenaed documents and selecting credible lay and forensic experts, that a strong defence could be prepared and a favourable decision obtained.

Sinclair v Registrar General [2010] NSWSC 173 (Decision of Rein J. 5 March 2010)

Sinclair brought a claim for compensation under Section 129 (1) of the *Real Property Act 1900* for damages allegedly resulting from the removal of a caveat, which was claimed to have been removed in error by the Registrar General. The caveat was designed to protect certain contractual interests embodied in a deed, including an alleged obligation to create an easement over certain land and to transfer the fee simple in the easement land if certain conditions were met. The land had been subsequently transferred twice since the plaintiff had entered into the deed with a former owner. The Registrar General's involvement arose because the caveat was removed from the subject title when the easement was created. The plaintiff's case also involved issues relating to contract law and the *Limitation Act 1969*.

The argument against the Registrar General was essentially twofold: (i) the interest claimed in the caveat was not one capable of removal under the former equivalent provisions of Section 74H (6) and (7) of the Act, being the section which the Registrar General relied upon to remove the caveat, (ii) had the caveat not been removed, the plaintiff would have received adequate notice of the various transfers which in turn, would have led him to protect the precise interest claimed in the caveat.

Authorities from the United Kingdom, New Zealand and Australia were considered, with judgment and costs being given in favour of the Registrar General.

Justice Rein based his decision on the fact that even if the caveat had not been removed, problems associated with privity of contract and the absence of unconscionable conduct on the part of the defendants, would have made it extremely difficult for the plaintiff to assert the right claimed in any event. In addition, even if loss had occurred it would have occurred beyond the limitation period.

Kevin St Alder & Ors v Waverley Council and the State of New South Wales

This was an action brought by several homeless men who asserted that they had an implied licence to occupy part of Bondi Pavilion, which is dedicated land under the management of Waverley Council.

The matter, in which leave was unsuccessfully sought by the homeless men to appeal to the High Court from a decision of the Court of Appeal, affirmed that dedicated land subject to Part 5 of the *Crown Lands Act 1989* and Crown land that is reserved for public purposes may only be used in accordance with the *Crown Lands Act 1989*. Accordingly, it is not possible for users of such land to assert that common law rights have accrued to them due to use of land subject to the provisions of the *Crown Lands Act 1989*.

State of NSW v Maas Pty Ltd & Robert Hudson

Maas Pty Ltd, an earthworks and development company, and a landowner, Robert Hudson, were accused of clearing public land without lawful authority under S 155 (1)(e) of the *Crown Lands Act 1989*. The offence occurred on a Crown public road some 30 km south of Dubbo in a district known as Terrabella and close to Toongi. The offence was risk assessed as causing a high degree of environmental harm, a finding supported by an independent ecological assessment. Allegations were put to Maas and Mr Hudson by an LPMA officer at formal interviews as part of an investigation, and proceedings were then initiated at Dubbo Local Court. Maas and Hudson entered guilty pleas in the proceedings and LPMA officers are now pursuing compensation from Maas Pty Ltd and Mr. Hudson for remediation and ongoing administration and monitoring costs. Both defendants have been ordered to re-appear at Dubbo Local Court for sentencing on 11 August 2010.

Minister administering the Crown Lands Act 1989 v NSW Aboriginal Land Council and metropolitan Local Aboriginal Land Council [2009] NSWCA 352 (Berowra Appeal)

The Minister appealed against the Land and Environment Court decision to grant four Aboriginal land claims at Berowra. The land claims had been refused on the grounds of need or likely need for residential land or the essential public purpose of nature conservation, and lawful use or occupation in respect of part of the land.

The Land and Environment Court excluded the Minister's certificates under s36(8) of the *Aboriginal Land Rights Act 1983*, holding they were void for jurisdictional error. These certificates were issued stating that the land was needed for residential land and the essential public purpose of nature conservation and are conclusive certificates which, if valid, will bar the examination of evidence in an appeal. Land councils have the right to challenge the validity of the certificates and did so in the Court of Appeal submitting that the Minister failed to consider relevant questions and that the certificates were void for jurisdictional error.

A majority of the Court of Appeal allowed the Minister's appeal in respect of need or likely need of part of the claimed land for the essential public purpose of nature conservation. It held that the Minister's certificates issued for this purpose were valid. It did not allow the appeal in respect of the land initially refused for residential land and lawful use or occupation.

An application by the land councils for leave to appeal to the High Court against the decision of the Court of Appeal was refused in May 2010.

Native Title Agreements

The outstanding issues arising under the Native Title Agreement made on 9 October 1996 between the state and the Dunghutti People at Crescent Head were finalised in 2009 with the payment of compensation to the body corporate for the extinguishment of native title in the unsurveyed Crown land, commonly known as Block B. Compensation was paid in 1996 for the land commonly known as Block A containing 55 residential lots, plus roads and services developed pursuant to a government subdivision. Some of the residential lots in Block A had been sold before the Commonwealth enacted the *Native Title Act 1993*. Block B had not been developed in 1996 nor at the tenth anniversary of the Native Title Agreement, when the compensation for Block B became payable.

Torrens Assurance Fund

During the 2009/10 financial year, the Registrar General made several payments in response to claims against the Torrens Assurance Fund totalling \$3.52 m. This sum includes compensation payments and legal fees of claimant parties.

13. Major Works

Capital works completed or in progress as at 30 June 2010	Cost to date \$	Cost overrun \$	Est. date of completion
Fire mains upgrade – Queens Square, Sydney	\$171,000	Nil	Completed
Security camera upgrade – Queens Square, Sydney	\$25,000	\$3,363	Completed
Level 5 East/Basement 1 upgrade – Queens Square, Sydney	\$1,474,027	Nil	Completed
Fire wiring upgrade – Queens Square, Sydney	\$63,440	Nil	Completed
Basement 1 West Records preservation – Queens Square, Sydney	\$17,000	Nil	Completed
Boiler and pump replacement –Bathurst	\$79,101	Nil	Completed
Emergency warning system	\$51,315	\$1,315	Completed
Essential services switchboard replacement	\$21,216	\$1,216	Completed
DVR (security) replacement – Bathurst	\$15,450	\$15,450	Completed
Termite and structural remediation works – Moree	\$128,000	Nil	2010/11
Roof repairs – Tamworth	\$20,000	Nil	Completed

14. Multicultural Policies and Services Plan

The LPMA Ethnic Affairs Priorities Statement (EAPS) confirms the authority's commitment to improving access to its services for culturally and linguistically diverse communities throughout New South Wales. No changes have been made to the current statement this financial year.

The EAPS outlines how the authority 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.

Significant strategies in place or achieved over the 2009/10 financial year are:

- customer service training delivered for managers and frontline staff incorporating strategies for communications with community members from diverse language and cultural backgrounds, including use of translator services
- a list of LPMA employees with language skills available to assist in communication with clients and stakeholders
- contribution to broader strategic government policy on issues impacting on diverse communities including advice concerning recognition of educational qualifications and factors impacting state migration.

15. Occupational Health and Safety (OHS)

Safe, healthy and productive environment

The health, safety and welfare of LPMA staff is a key priority for all of the authority's businesses and safety performance continued to improve during 2009/10.

The focus for 2009/10 has been on improving safety systems with the increased hazard identification and organisational wide risk assessments being conducted.

The authority completed the five targets from the NSW Government Working Together Public Sector OHS and Injury Management Strategy 2005–2008, which include:

- injury prevention
- reduction in the cost and duration of injuries
- injury management for suitable duties
- provision of OHS risk management training to improve agency knowledge and capability with respect to risk management and processes
- managers and supervisors to be trained in their roles for LPMA OHS and Injury Management System.

LPMA achievements against the NSW Government Working Together Targets

No	Working Together Target	Target for 30 June 2008*	Achieved 30 June 2008*
1	20% reduction of lost-time injuries	4.20%	4.80%
2	20% reduction in employees off work at 8, 12, 26 weeks after injury	5.60%	6.40%
3	15% reduction in average cost of claims	\$34,929	\$20,977
4	10% improvement in employees participating in suitable duties when prescribed by nominated treating doctor	10%	54%
5	90% of managers trained in risk and injury management	90%	91.50%

* In March 2010 NSW Cabinet approved for publication the final report of the Working Together Public Sector OHS and Injury Management Strategy 2005–2008, and noted and endorsed the launch of the Working Together Workplace Health and Safety Injury Management Strategy 2010–2012.

Injury management program

A new Injury Management Notification System was developed and implemented in 2009, which resulted in more timely and efficient notification of incidents.

- 134 incidents were received via the Injury Management Notification System and of these 58 resulted in claims to TMF insurer, Allianz.
- 58% of new claims were finalised within the financial year.
- Total days lost were 1,076.
- Claims costs paid to date for 2009/10 was \$422,000.

There were 25 lost time injuries for 2009/10 compared to 34 for 2008/09 resulting in a significant reduction of 25%.

A review of workers compensation claims indicated that there was a need for state park trusts to comply with the workers compensation legislation and management system requirements and a significant project was developed and implemented for state parks trusts to obtain separate workers compensation insurance from 1 July 2010.

The OHS focus for 2009/10

- Improved health and safety procedures in conjunction with the development and provision of relevant safety training including newly developed elearning, manual handling and OHS Induction.
- Safety committee consultation.
- Hazard management and risk assessment processes.
- Further developing and review of OHS policies and procedures.
- Development of health and safety positive performance indicators and improved safety and risk management systems.
- Completion of the internal OHS compliance audit to provide lead indicators on the LPMA OHS Management Systems performance.
- Restructure of the OHS Safety Committees in-line with the overall restructure of the authority.
- Promotion of health and safety through the provision of OHS articles for the staff magazine, LPMAgazine.

Healthy workforce programs

LPMA promoted the yearly vaccination program for influenza, which included the H1 N1 (swine flu) with expanded onsite availability this year including Parramatta to the existing central Sydney, Bathurst and Newcastle sites. This enabled additional opportunity for staff from a newly included business division to access this program.

There was a successful outcome with 40% of all staff participating in the influenza vaccination program.

16. Overseas Travel

Officer and position	Purpose of travel	Destination	Dates	Costs
Brian Hope, A/Manager Integrated Spatial Services Unit	Presenting at the 6th International Symposium on Digital Earth	China	8–17 Sept 2009	\$3,600
Warwick Watkins AM, CE	Undertake negotiation of CAUCUS, China-Australia Centre for the Optimal Use of Satellites	China	10–14 Sept 2009	\$8,265
Paul Harcombe, Chief Surveyor	Attend the International Federation of Surveyors (FIG) Convention	Germany	21–24 Sept 2009	\$4,376
Barry Douse, Deputy GM LPI	Receive 2009 Asia Most Admired Enterprise Award for LPMA	Korea	12–16 Oct 2009	\$7,639
Paul Harcombe, Chief Surveyor	Attend New Zealand Institute of Surveyors (NZIS) 2009 Conference	New Zealand	14–17 Oct 2009	\$3,332
Warwick Watkins AM, CE	Chair Australian New Zealand Land Information Council (ANZLIC)	New Zealand	4–5 Nov 2009	\$3,036
Eric Sharpham, Senior Project Manager	Attend ANZSOG Project	New Zealand	1–4 Dec 2009	\$1,628
Paul Robinson, Director Strategic Policy & Projects	Present a paper on the Silverton Wind Farm at the Fourth Annual International Academic Association of Planning, Law and Property Rights Conference	Germany	7–19 Feb 2010	\$12,480
Paul Jones, GM SCS	Participate in an organized technical tour of the US Caterpillar plant facilities	USA	10–20 June 2010	\$4,682
Philip Western, Valuer General	Attend the International Property Taxation Institute (IPTI) Symposium	Hong Kong and England	17–18 June 2010	\$8,303
Tony Sleigh, Director EICU	Attend 3rd International Conference on Cartography and GIS in conjunction with the Seminar on Early Warning and Disaster Crisis Management	Bulgaria (Airfare is not included)	15–20 June 2010	\$527

17. Payment of Accounts

LPMA's payment performance in 2009/10 was above target in all quarters except the March quarter. During the March quarter resource constraints delayed the processing and therefore the payment of invoices.

The value of overdue invoices was approximately 6% of the total outstanding in all quarters except in the December quarter when it was 11%.

Corporate Finance has trained 288 officers and managers on SAP and on the fundamentals of finance including the approving and certifying of invoices with a view to improve payment performance. Corporate Finance is also producing cost centre level statistics to target and communicate with the underachieving areas to improve the payment process.

In 2009/10, there were no instances where interest was paid in accordance with section 15 of the *Public Finance and Audit Regulation 2005*.

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
Sep–09	\$2,016,161	\$123,491	\$11,045	\$0	\$0
Dec–09	\$1,923,228	\$221,014	\$12,615	\$72	\$11,124
Mar–10	\$2,979,457	\$137,802	\$27,631	\$14,394	\$6,387
Jun–10	\$10,907,914	\$471,782	\$84,728	\$39,913	\$70,492

Accounts paid on time during each quarter				
Quarter	Total accounts paid on time			Total paid (\$)
	Target	Actual	\$	
Sep–09	85%	91%	\$59,327,590	\$63,420,369
Dec–09	85%	89%	\$65,257,950	\$69,268,703
Mar–10	85%	75%	\$64,232,091	\$71,519,839
Jun–10	85%	87%	\$99,758,278	\$105,793,573

18. Price Determination

Soil Conservation Service Division

SCS reviews all prices annually and recommends revised rates for authority and Ministerial approval with an implementation date of 1 January. Fuel is charged as a separate item based on machine size (fuel consumption). Fuel prices are reviewed monthly and a revised calculation form issued to staff. Separating fuel cost gives SCS the capacity to increase prices on an item beyond its management control at short notice. All rates were increased on 1 January 2010; Consult rose between 1.6% and 5.3% and Works rose between 1% to 2.9% (excluding fuel). Prices charged to government clients within the Operations area are based on actual costs, overheads plus administration.

19. Privacy Management Plan

Statement of action taken

In accordance with Section 33(3) of the *Privacy and Personal Information Protection Act 1998*, NSW Government agencies are required to prepare and implement a Privacy Management Plan. During the last reporting period LPMA had undertaken and completed a review of the Privacy Management Plan.

The plan is now subject to a further review as a result of administrative changes which occurred during the reporting year to ensure that the document reflects these changes.

LPMA's online privacy statement and information is available at www.lpma.nsw.gov.au. This information is also being reviewed during the current reporting period and will continue to be updated from time-to-time to reflect administrative or legislative changes.

Throughout the year advice has been sought and provided to staff as internal business processes and systems are reviewed.

Members of the public and staff may refer enquiries regarding personal information matters to:

Manager, Strategic Policy and Reporting
Land and Property Management Authority
GPO Box 15
SYDNEY NSW 2000
T: 9236 7603

Statistical details

During the reporting period one application for an internal review was received by LPMA.

The principal issue raised by the applicant related to an alleged breach of the *Privacy and Personal Information Protection Act 1998*, through the disclosure of personal information relating to a deposited plan. Following an investigation of the circumstances no evidence of a breach of the information protection principles or misconduct of the agency was established. The internal review was not appealed by the applicant.

In 2008/09 LPMA received one request for an internal review. There has been no comparative increase in internal reviews.

20. Research and Development

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 2009/10 extensive research was carried out 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 RFS, CRC for Spatial Information and the University of New South Wales. A satellite capture program was run throughout the 2009/10 bushfire season. The results raise the importance of a local base station for collecting and satellite information for NSW emergency events. The heavy floods in 2009/10 indicated the need for a similar program for flood monitoring.

Analysis of porosity in Sydney CBD

A research program by University of NSW on the freedom of movement, crowds and crowd modelling, in conjunction with LPMA, using spatial data sourced by LPI. This project is providing information which has a complementary value to the 3-D CBD models being developed in the EICU. The focus in 2009/10 has been on the large transport interchanges, and has been carried out by the Emergency Information Coordination Unit in conjunction with the Ministry for Transport.

21. Risk Management and Insurance

Risk management

During 2009/10, LPMA 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 LPMA's potential to achieve its vision, objectives and goals. Considerable progress has been made to integrate the existing risk management programs of the new agencies to LPMA and to ensure that they operate in line with LPMA's risk management policy and guidelines.

LPMA's 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 IOS 31000:2009). The policy and guidelines provide a structured roadmap to support implementation of a risk management culture throughout LPMA.

The Chief Corporate Governance Officer is responsible for facilitating risk management within LPMA and monitoring and reporting in its progress to the LPMA Audit and Risk Committee and Executive team.

During 2009/10, 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 LPMA's divisions, business groups and specific project management teams.

CGU has conducted numerous onsite risk assessments with regional staff to assist various areas of LPMA to address risks that have been resulting in claims or have a high potential to do so. The assessments have resulted in implementation of improved controls that have reduced the likelihood of incidents occurring and subsequent possible claims.

Insurance management outcomes

LPMA's insurance coverage is provided through the NSW Treasury Managed Fund (TMF), including workers' compensation, general liability, motor vehicle, property and miscellaneous covers. LPMA through its good risk management practices continues to enjoy a relatively good claims experience and TMF premiums have been fairly static in renewal cost over recent years.

During 2009/10, LPMA implemented a project to include all reserve trusts' properties or buildings assets in the property insurance cover provided by TMF. Previously, these trusts had to obtain and pay for their own property insurance. This inclusion provided trusts with a substantial financial cost savings and dispensed with the administrative burden of sourcing insurers willing to underwrite such risks.

Internal Audit and Risk Management Statement

I, Warwick Watkins, am of the opinion that the Land and Property Management Authority (the authority) has an internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I, Warwick Watkins, am of the opinion that the Audit and Risk Committee for the authority is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The chair and members of the Audit and Risk Committee are:

- Mr Jim Mitchell: Independent chair (term of appointment is 4 years)
- Mr Bruce Clarke: Independent member 1 (term of appointment is 4 years)
- Mr Ron Cunningham: Independent member 2 (term of appointment is 4 years)
- Mr Des Mooney: Non-independent member 1 (term of appointment is 4 years)
- Mr Philip Western: Non-independent member 2 (term of appointment is 4 years).

These processes provide a level of assurance that enables the senior management of the authority to understand, manage and satisfactorily control risk exposures.



Warwick Watkins AM
Chief Executive Officer
Date 29 October 2010

22. Sustainability Policy for NSW Government

LPMA remains committed to complying with the Sustainability Policy for NSW Government and to maintaining best practice in sustainable procurement and in recycling.

During 2009/10 LPMA continued to avoid and minimise waste by:

- maintaining recycling programs to collect and recycle paper and co-mingled wastes
- sourcing 6% of its electricity supply as green power
- promoting the use of recycled content paper
- communicating and promoting green issues
- LPMA's Graphic Services branch:
 - now recycles all by-products of their printing operations
 - has obtained accreditation to ISO standard 14001 for environmental management systems for their printing activities
 - has begun collecting data on the carbon footprint of printing jobs to pass on to clients so they are able to make a impact balancing contribution to a green council.

23. Other Information

LPMA's main annual report is the online version available at www.lpma.nsw.gov.au. This is the print version of the online report. Cost of production: \$30,000. ISSN 1838-5528 (print). © 2010 NSW Government.

Glossary

LPMA business divisions and groups

BOSSI	Board of Surveying and Spatial Information
CCDC	Cooks Cove Development Corporation
CGU	Corporate Governance Unit
CLD	Crown Lands Division
CNLA	Chipping Norton Lake Authority
EICU	Emergency Information Coordination Unit
FDC	Festival Development Corporation
GNB	Geographical Names Board
HDC	Hunter Development Corporation
LIA	Lake Illawarra Authority
LPI	Land and Property Information Division
LPMA	Land and Property Management Authority
OBF	Office of Biofuels
OSL	Office of Strategic Lands
OVG	Office of Valuer General
SCS	Soil Conservation Service Division
SHFA	Sydney Harbour Foreshore Authority
SPA	State Property Authority

Common terms

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
Contour	An imaginary line connecting points of equal elevation
Conveyancer	A person licensed under the <i>Conveyancers Licensing Act 1995</i> to carry out work involved in property conveyancing transactions
Conveyancing	The branch of legal practice concerned with the transfer of property rights particularly rights in real property

Crown land	Any land which has not been alienated by the Crown, including Crown tenures (land leased from the Crown)
Crown land information database	A database containing graphic and textual information, including land accounts data, relating to leaseholds of Crown land
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
Deed	A contract in writing which binds a person, or which transfers an interest, right or property
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
Gazetteer	A geographical dictionary
Geoid	The hypothetical surface of the earth that coincides with mean sea level
Information broker	An agent licensed by LPI to provide remote and value added information services utilising electronic data made available by the office
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
Legal parcel	The smallest parcel of land capable of sale without further confirmation of subdivision. The physical extent of most legal parcels is defined by plans or metes and bounds descriptions held by LPI or Crown Lands
Notice of sale	A form, which must accompany the lodgment of any document, lodged in LPI, which changes the ownership of land
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 <i>Real Property Act 1900</i>
Orthography	A method of representing a language with words using correct spelling
Orthorectification	Correction of distortion in aerial photographs due to title, curvature and ground relief
Rural addressing	The application of an address to properties in rural and remote areas based on distance 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

Spatial data	Data pertaining to the location, shape and relationships among geographical features. These can be classified and stored as point, line, polygon, grid cell or object
Strata plan	A plan lodged for registration in LPI depicting vertical subdivision of land by buildings such as home units
Torrens system	A system employed in Australian jurisdictions under which title to land is conferred by the official registration of the dealing of that land. Named after its creator, Robert Torrens, who introduced it in South Australia in 1858
Valnet2	Valuer General's automated land valuation network

Initials and acronyms

ANZLIC	Australian New Zealand Land Information Council
BSPR	Bridge Street Plan Room
CCAC	Crown Cemeteries Advisory Committee
CLE	Crown Leaseholds Entity
CLHP	Crown Lands Homesites Program
CMA	Catchment Management Authority
CORS	Continuously Operating Reference Station Network
CRR	Central Register of Restrictions
CRRS	Crown Reserve Reporting System
CS2i	Common Spatial Information Initiative
CSEPA	Corporation Sole 'Minister Administering the <i>Environmental Planning and Assessment Act, 1979</i> '
eNOS	Electronic notice of sale
ePlan	An internet facility that enables surveyors to electronically lodge plans and associated instruments online as TIFF documents
GIPA	<i>Government Information (Public Access) Act 2009</i>
GIS	Geographic information system used for capturing, storing, checking, integrating, analysing and displaying data that is spatially referenced to the Earth. This is normally considered to involve a spatially referenced computer database and appropriate applications software
GNSS	Global navigation satellite system
GPR	Government property register database managed by LPI
GSDP	Government Services Development Program
GURAS	Geocoded Rural and Urban Addressing
ICAC	Independent Commission Against Corruption
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
LDWA	Land Development Working Account
LiDAR	Light Detection and Ranging technology
LGA	Local government area
LPPS	Land and Property Products and Services
L-SDI	LPMA's spatial data infrastructure program

NECSD	National Electronic Conveyancing Data Standard
NECDL	National E-Conveyancing Development Ltd
NECS	National Electronic Conveyancing System
PIIS	Property Information Inquiry System
PRMF	Public Reserves Management Fund
RFS	Rural Fire Service
RTA	Roads and Traffic Authority
SIX	Spatial Information Exchange website – www.six.nsw.gov.au
SCIMS	Survey control information management system – survey enquiry and distribution system
SDI	Spatial Data Infrastructure

Contact Information

Land and Property Management Authority

1 Prince Albert Road
Queens Square
GPO Box 15
Sydney NSW 2001
Toll-free number: 1300 052 637
T: 61 2 9228 6666
Office hours: 8:30am – 4:30pm, Monday to Friday

Land and Property Information Division

1 Prince Albert Road
Queens Square
GPO Box 15
Sydney NSW 2001
T: 61 2 9228 6666
Office hours: 8:30am – 4:30pm, Monday to Friday
346 Panorama Avenue
PO Box 143
Bathurst NSW 2795
T: 61 2 6332 8200
Office hours: 8:30am – 4:30pm, Monday to Friday

Crown Lands Division

Level 4
437 Hunter Street
Newcastle NSW 2300
PO Box 2185
Dangar NSW 2309
T: 61 2 4920 5000
Office hours: 8:30am – 4:30pm, Monday to Friday

Soil Conservation Service Division

Level 12
Macquarie Tower
10 Valentine Avenue
PO Box 3935
Parramatta NSW 2124
T: 61 2 8836 5316
Office hours: 8:30am – 4:30pm, Monday to Friday

State Property Authority

Bligh House
4–6 Bligh Street
GPO Box 5341
Sydney NSW 2001
T: 61 2 9338 7000
Office hours: 9am – 5pm, Monday to Friday

Sydney Harbour Foreshore Authority

Level 6, 66 Harrington Street
The Rocks NSW 2000
PO Box N408
Grosvenor Place NSW 1220
T: 61 2 9240 8500 or 1300 655 995
Office hours: 8am – 6pm, Monday to Friday

Hunter Development Corporation

Suite B Level 5 PricewaterhouseCoopers Centre
26 Honeysuckle Drive
PO Box 813
Newcastle NSW 2300
T: 61 2 4904 2750
Office hours: 8:30am – 5pm, Monday to Friday

Cooks Cove Development Corporation

Level 6, 66 Harrington Street
The Rocks NSW 2000
PO Box N408
Grosvenor Place NSW 1220
T: 61 2 9240 8500 or 1300 655 995
Office hours: 8am – 6pm, Monday to Friday

Festival Development Corporation

Building 16, The Avenue
Mt Penang Parklands
PO Box 7127
Kariong NSW 2250
T: 61 2 4340 1002
Office hours: 9am – 5pm, Monday to Friday

Office of Strategic Lands

Level 4, 10 Valentine Ave
PO Box 404
Parramatta NSW 2124
T: 61 2 9895 7626
Office hours: 8:30am – 4:30pm, Monday to Friday

Lake Illawarra Authority

State Government Office Block
84 Crown Street
PO Box 867
Wollongong NSW 2500
T: 61 2 4275 9471
Office hours: 8:30am – 5pm, Monday to Friday

Chipping Norton Lake Authority

State Government Office Block
84 Crown Street
PO Box 867
Wollongong NSW 2500
T: 61 2 4275 9471
Office hours: 8:30am – 5pm, Monday to Friday

Office of Biofuels

1 Prince Albert Road
Queens Square
GPO Box 15
Sydney NSW 2001
T: 61 2 9236 7655
Office hours: 8:30am – 4:30pm, Monday to Friday

Geographical Names Board

346 Panorama Avenue
PO Box 143
Bathurst NSW 2795
T: 61 2 6332 8214
Office hours: 8:30am – 4:30pm, Monday to Friday

Board of Surveying and Spatial Information

346 Panorama Avenue
PO Box 143
Bathurst NSW 2795
T: 61 2 6332 8238
Office hours: 8:30am – 4:30pm, Monday to Friday

For the latest information on all of LPMA's 46 regional offices, visit www.lpma.nsw.gov.au
Business hours may vary in regional offices due to field work.

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