

Agreement in Principle

Mr BARRY COLLIER (Miranda—Parliamentary Secretary) [10.08 a.m.]: I move:

That this bill be now agreed to in principle.

In 2008 amendments to the Western Lands Act and Crown Lands Act were introduced to allow for two leases to run in parallel with respect to the same Crown land in the Western Division of the State. The construction and operation of facilities for the harnessing of energy from any source, including the sun or wind, and its conversion into electrical energy is already declared by section 44B (4) of the Crown Lands Act to be an approved purpose.

This bill proposes an amendment to section 44B (1) of the Crown Lands Act 1989. The amendment will permit the Minister, after complying with the procedural and consultative stipulations of section 44B, to grant special purpose leases for the purpose of energy production or other approved purpose in the Eastern and Central Division of the State. A special purpose lease, which provides for joint use of the land, is particularly applicable to wind power generation where, following the construction of the wind turbines, the power station is likely to have little impact on continuing farming activity such as grazing.

In July 2009 the State Government announced a range of measures to encourage investment within new renewable energy precincts across New South Wales. This included extending the application of special purpose leases beyond the Western Division to the Eastern and Central Division of New South Wales. This amendment will enable renewable energy generation projects to be developed on Crown land throughout the State without the need to acquire the existing leasehold interest. The proposed special purpose leases will exist in parallel with existing leases under the Crown Lands Act and be for a maximum term of up to 100 years.

A special purpose lease is granted only with the consent of the general purpose lessee and a development proponent may negotiate directly with a general purpose lessee on matters such as operating conditions and shared use of infrastructure. The Department of Planning will continue to have an ongoing role in the approval of new developments on leasehold land within renewable energy precincts. Additionally, a special purpose lease allows for an appropriate return to the State for the use of Crown land for energy production.

The special purpose lease provision enacted in 2008 enabled the Minister for Lands to sign an agreement to lease for a future wind farm project over 32,000 hectares of Western Division Crown land at Silverton, west of Broken Hill. Whilst there is no specific project in the Eastern and Central Division of the State currently requiring these provisions, it is expected that this amendment will produce similar benefits to those achieved in the Western Division, although the projects are likely to be on a smaller scale. The bill demonstrates the Government's commitment to the effective and sustainable management of the Crown estate in a way that maximises benefits for the people of New South Wales, both now and for future generations. I have much pleasure in commending the bill to the House.