

**Second Reading**

**The Hon. MATTHEW MASON-COX** (Parliamentary Secretary) [9.02 p.m.], on behalf of the Hon. Greg Pearce: I move:

That this bill be now read a second time.

This bill makes amendments to the Centennial Park and Moore Park Trust Act 1983 to improve the environmental, financial and social sustainability of an important government asset—an asset that was used and enjoyed by the community on more than 11 million occasions last year alone, making this one of the most visited public parklands in Australia. Centennial Parklands comprises three parks: Centennial Park, Moore Park and Queens Park. It covers over 360 hectares in the heavily populated areas just five kilometres south-east of the Sydney central business district. It was once referred to by author Patrick White as the "lungs of the city".

I seek leave to have the remainder of the second reading speech incorporated in *Hansard*.

**Leave granted.**

The unique cultural values of the three main parks are recognised by being listed on the State Heritage Register. In addition, components of the parks have national, State and local heritage significance.

Key to its significance is its iconic status in New South Wales and Australian history. Centennial Park was created specifically to commemorate the 100th anniversary of European settlement in the colony, and 13 years later it was chosen as the site of the ceremony of the inauguration of the Federation of Australia.

Much of what Centennial Parklands covers today is what remains of the second Sydney Common, proclaimed in 1811 by Governor Lachlan Macquarie when he put aside 490 hectares of land.

However, what makes Centennial Parklands such a popular and iconic place in our community today is how it has evolved and adapted to remain relevant to the wants and needs of our community, while not losing its distinctive Victorian-era identity.

The parklands play host to a diverse array of activities and events ranging from sport and recreation to educational, social and entertainment. It is estimated that more than 11 million visits were made to the parklands in 2010-11.

The Government is committed to strengthening the local environment and communities, and cutting red tape. This bill contributes to these goals by improving the administrative efficiency of the trust and providing it with greater opportunities to seek enhanced revenue. A stronger financial position for the trust will ensure the long-term management and maintenance of the parklands for the whole community.

The trust is largely operationally self-funded with more than 93 per cent of its recurrent budget of \$20 million derived from its commercial activities, including Moore Park golf,

community events, and more than 40 licences and leases, such as Fox Professional Studios Australia, the Entertainment Quarter and Centennial Parklands Dining.

The first proposal in this bill is to extend the maximum term of a lease which the Centennial Park and Moree Park Trust can enter from a maximum of 20 years to a maximum of 50 years. The bill will also allow a maximum lease term up to 99 years if the Minister approves.

These amended maximum lease durations are similar to those of comparable Acts and allow the trust to enter into longer term leases will improve the commercial viability of private sector investment in the parklands.

The trust has more than \$800 million in assets, much of which are ageing and deteriorating. Maintenance-related costs represent more than 75 per cent of the trust's budget of \$20 million.

E. S. Marks Athletics Field and the Moore Park Golf House, for example, are well-patronised community assets that have outlived their useful life. It costs twice as much to maintain the athletics precinct, for instance, than the revenue derived from its use.

Private investment is the only feasible option to avoid the real possibility of these facilities being closed to the public. E. S. Marks Athletics Field, for example, requires an investment of more than \$20 million.

Similar agencies have much longer terms:

- Both the Parramatta Park Trust and the Royal Botanic Gardens Trust are able to grant lease terms of up to 50 years.
- The Sydney Harbour Foreshore Authority can enter into licences and leases for up to 99 years;
- The Historic Houses Trust has leases that extend more than 200 years; and
- Western Sydney Parklands Trust does not have an upper limit on the lease term they can grant, however Ministerial approval must be given for lease terms more than 25 years.

Indeed the former Labor Government granted a 50-year lease for the Fox Studios/Entertainment Quarter precinct which is part of trust lands.

As members would be aware, longer terms attract both a larger pool of eligible investors, and full value for the asset.

A lease term of up to 99 years would allow expressions of interest to be submitted on the full value of the asset—not at a discounted rate. It would also attract interest from at least 90 per cent of the pool of eligible investors, because it gives greater certainty, and any bid can be based on yield.

Shorter term leases would sell a valuable community asset short. There would be a substantial discount in any expression of interest: up to 20 per cent on a 50 year lease, and up to 50 per cent on a 30 year lease.

Fewer property investors would be interested in such a "term certain period" proposition,

further eroding the value of the State's assets, limiting both the price and the pool of investors—indicating the potential for both competition and probity issues.

Failure to attract adequate investment on commercially viable terms will have a substantial impact on the fair value of assets, such as the E. S. Marks Athletics Field and the Moore Park Golf House, that require substantial investments to bring them to acceptable standards of safety and amenity. Without such funding, ongoing deterioration of these assets may lead to partial or full closure of facilities to the public.

The second proposal contained in this bill will enable the director of the trust to appoint authorised officers, such as rangers, to enforce the parklands' regulations, where required. This would make it consistent with similar Acts, such as those that apply at Sydney Olympic Park and Western Sydney Parklands.

There are also a number of additional amendments in the bill which will indemnify trustees against compensation claims, bring all the landholdings into a single schedule, allow written resolutions of the trustees outside of a meeting and remove redundant provisions in the Act.

The Act is currently silent on indemnity for trustees. This bill introduces an indemnity provision so that trustees are not personally liable for compensation claims arising from injuries and damage to property incurred within the trust lands.

The remaining parts of the bill cut red-tape by bringing all the landholdings together in a single schedule and omitting redundant clauses.

This bill is about streamlining the management of Centennial Park and Moore Park. The bill will ensure that the trust can operate in a self-sustaining way to protect the green space already established in the Act.

The objects of the trust are unchanged in this bill. The commitment to maintain and improve the parklands; protect and increase the recreational, historical, scientific, educational, cultural and environmental value of the lands; and maintain the right of the public to use the lands is unchanged.

The bill is not about impinging on the existing green space; it is about caring for and maintaining Centennial Park and Moore Park responsibly to secure its future. It is further supported by two statutory documents: the Centennial Parklands Plan of Management and the Conservation Management Plan

The trust operates the parklands on behalf of the people of New South Wales has been diligent in ensuring that this precious green space is protected.

This bill will improve the operational efficiency of the trust so that it can continue to provide the community with a safe, attractive environment to enjoy.

I commend the bill to the House.