



Department of Primary Industries

Office of the Director General

DGPO11/698

Mr J R O'Dea MP
Chair
Public Accounts Committee
Parliament House
Macquarie Street
SYDNEY NSW 2000

19 DEC 2011

Dear Mr O'Dea

I refer to the questions without notice raised at the Public Accounts Committee on the 01 December 2011.

Question number 1:

"With regard to the backlog of aboriginal land claims, can you provide the committee with a timeframe as to when the backlog of claims is expected to be cleared?"

Response

In my evidence on the 1 December, I indicated that the department is looking at alternate processes and pathways to attempt to finalise outstanding Aboriginal land claims. Without a new approach, given available resources, it is unlikely that the backlog would be cleared within 10 to 20 years. This is considered unacceptable and for this reason we are attempting to achieve a break through by trying a different approach. A productive meeting was held with the Registrar under the Aboriginal Land Rights Act on 16 December 2011 and I can provide the following tentative timetable for the trial of an alternative approach.

• Bahtabah Land Council to write to Minister Hodgkinson with a general request for a meeting to discuss a pilot of an alternative approach	December 2011
• Meeting with Minister Hodgkinson, if agreed	January/February 2012
• Bahtabah Land Council provides detailed analysis of potential claimable land and priorities	January/February 2012
• Initial meeting between Department of Primary Industries, Bahtabah Land Council and Registrar to explore options	February 2012
• Further negotiations	March/April 2012
• Briefing of NSW Land Council, Office of Aboriginal Affairs, Ministers and Treasurer on potential for and implications of adopting the approach more widely	May/June 2012

I note that a Statutory Review of the Aboriginal Land Rights Act is due to commence shortly and this will provide a further avenue to consider alternative approaches.

Question number 2:

"With regard to provision of more reliable land valuations and the working group set up by the Department of Primary Industries to identify a pathway that addresses the concerns of the Auditor-General in a cost effective manner, can you provide the Committee with details of the timeframe for the working group to complete this project and what mechanisms it will put in place to satisfy the concerns raised by the Auditor-General?"

Response

DPI - Crown Lands is now in a position to provide a more reliable estimate of the land parcels controlled by the State in the Eastern and Central regions as follows:-

- c. \$6 billion directly managed and recorded by the department, including leased and licensed land; and
- d. \$5 billion managed by reserve trusts or other government agencies.

This total of \$11 billion represents 98% of crown land within the Eastern and Central Regions. The qualification of the Total State Sector accounts partly relates to the issue of whether the amount in (b) above is recorded in the State's accounts or in the Crown Reserve trusts' accounts. Until there is resolution and clarity of the accounting policy surrounding this issue of 'control', and how the reserved land is to be treated, further significant progress is not possible. A working group will be established, with representatives to be sought from the Audit Office, Treasury, Department of Primary Industries – Crown Lands and Department of Trade & Investment Finance. Mr Alastair Howard has been approached as an Independent Chair of the Working Group and it is expected that the group will be established during January 2012. Draft Terms of Reference are attached and will be confirmed or amended by the Working Group.

An indicative Work Program and timing is as follows:-

1. Expedite Treasury & Audit advice on accounting policy for treatment of reserve trust land by February 2012 based on a technical paper prepared in 2010 by PriceWaterhouseCoopers.
2. Review the work undertaken to collect values for infrastructure assets under the care and control of reserve trusts, including the option of Crown Reserve Reporting System recording and reporting the infrastructure asset data by April 2012.
3. Provide recommendations to government by May 2012.
4. Consider cost effective approaches for collecting and/or reporting infrastructure asset data by May 2012.
5. Prepare an implementation plan to recognise and bring to account the \$5 billion of reserve trust land by end June 2012.

Question number 3:

Question number 3 asks "Noting that 98% of lands have been converted to title and into a database are Crown lands, and that there are a series of other separate lands which are in crown trusts, can you provide the Committee with advice regarding who has care and control of the lands and whether that data has been collected for each case or whether a survey approach was taken as part of the project?"

Response

As at 30 June 2011, 98% of all Crown reserves within Crown Land Conversion, Valuation and Asset Data Management Program scope have been converted to title and a centralised record entered in both the Crown Lands Information Database (CLID) and the Digital Cadastral Database (DCDB). The following categories of Crown land were out of scope of the Crown Land Conversion, Valuation and Asset Data Management Program:

- Jetties
- Western Division Reserves
- National Park and State Forests
- Enclosure Permits
- Crown Roads
- Waterways

These parcels were excluded from the project because either the value of such land is already captured in the reported land holdings of the Crown Leaseholds Entity, the National Park estate, the holdings of Forests NSW, roads and waterways or the value of land is not considered significant.

The value of crown lands under the care and control of reserve trusts is estimated at \$5 billion and is included in the 98% of land that has been converted to title within the Eastern and Central Regions. A separate program of work for the Western Division is now currently underway. Approximately \$3.5 billion of the \$5 billion of crown land is under the care and control of councils, the balance is administered by other government departments and trusts. This data has been collected historically for each case and is periodically reviewed and updated.

Question number 4:

Question number 4 asks "Noting that the time taken to process claims and the time taken to transfer the title after a claim has been granted are two separate time frames, can you provide the Committee with advice regarding both the average length of time to process claims and transfer title and also the range. The inclusion of some historical context of trends would also be appreciated".

Response

In a practical sense there are many variables that impact on the resolution of claims. All time period information below is in years:-

Category	Number completed	Number of Decision	Number Transferred	Average time to make a decision	Shortest period to decide	Longest period to decide
Finalised	1098	na	na	2.51	0	22.59
Granted	1804	1804	1715	4.42	0	24.7
Part granted, part refused	654	654	498	7.16	0	24.01
Refused	6075	6075	1	2.0	0	24.0
Total	9631	8533	2214			

Should you wish to discuss this matter with my staff, Mr Craig Barnes, Deputy General Manager, Crown Lands, can be contacted on (02) 4920 4124 or by email craig.barnes@lands.nsw.gov.au.

Yours sincerely



**RICHARD SHELDRAKE
DIRECTOR GENERAL**

Encl

Draft Terms of Reference

Draft Terms of Reference for the Working Party currently being finalised include:-

- Consider and adopt appropriate Treasury/Audit technical directives regarding recognition and accounting treatment of reserve trust land;
- Clarify process and timeframe for recognising and bringing Crown land to account, and avoid double counting with entities currently using the land;
- Make recommendations on policy position for recognition of infrastructure on Crown Reserves, including clarifying in whose books infrastructure assets should be recorded;
- Agree project plan and budget to 30/6/2012 and beyond;
- Receive reports on progress in implementing changes to accounting system records;
- Make recommendations on solutions for approval by Government by 30 April 2012 and regularly report back to stakeholders.