
From: Christina Jezzard on behalf of Peter Coyte

To: GPSC6 GPSC6

Subject: FW: Peter Coyte's comments - Crown land inquiry - Transcript and questions on notice

Categories: Answer to QoN

Good morning

Please find detailed below comments from Peter Coyte, Manager Property and Recreation, Wollongong City Council, in respect to the *Crown Land Inquiry – Transcript and Questions on Notice* which were previously forwarded to the Illawarra Pilot Joint Organisation but, due to subsequent advice, are now forwarded directly to the Legislative Council, as requested.

On behalf of:
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Question to Shoalhaven:

The Hon. LOU AMATO: Of those 28,000 claims in New South Wales, do you know the number Shoalhaven?

Answer:

A search of the Native Titles Register does not show any current claims in Wollongong LGA

<http://www.nntt.gov.au/searchRegApps/NativeTitleClaims/Pages/default.aspx>

Question to All councils:

The Hon. PETER PRIMROSE: You may wish to take this on notice. When your council considering the cost of maintenance of Crown land when preparing its budgets and forward estimates every year, what elements do you take account of in terms of the cost to the council to maintain that land? I am interested that because I am interested in trying to ascertain across the whole State ultimately the cost to local government for the maintenance of Crown lands. Even if you are not able to put a figure on it I would be interested in what elements the council takes account of when it is preparing its budget. Could you take that on notice and may briefly comment now?

Answer:

Council develops its maintenance budget for assets it owns and manages, including Crown Lands, under its Asset Management Policy. The focus is on assets being “fit for purpose” and managing risks involved in the use of those assets. Councils’ asset management plans are based on condition assessment and ranking of assets using a pre-determined ranking from 1 to 5 with 1 being Excellent Condition and 5 being Unserviceable. The other elements considered are:

- a. Strategic alignment

- b. Extent of benefit
- c. Utilisation
- d. Community/Stakeholder interest
- e. Useability/Functionality
- f. Risk
- g. Environmental Impact

Council manages Crown Assets the same as it does its own assets and is required to provide a report of income received and expenditure incurred in managing its 49 Crown Reserves under trust.

Question on “paper” roads – for each Council:

Question to Shoalhaven on “specific matters in submission”:

The CHAIR: I have one in regards to Crown lands. As we travel further out into regional and rural areas I would be very interested in how you think “paper” roads should be managed. Secondly, in Shoalhaven City Council submission you have written about specific issues to further inform the upper House inquiry into Crown lands. I would like for you to say what you think is the way through those issues and challenges.

Answer:

Question to Shoalhaven:

The Hon. SCOTT FARLOW: Mr Pigg, in your submission you made some comments about areas of Crown land for economic activation or of significant economic importance. I am wondering whether Shoalhaven has done the assessment of your current Crown land areas of management and what areas you may have identified as potential areas of economic importance.

Mr PIGG: We can come back to you on that.

Answer:

Question to Wollongong:

The Hon. LOU AMATO: Mr Coyte, you have a park or an oval at Wollongong where the skydiving.

Mr COYTE: Yes.

The Hon. LOU AMATO: Are you aware of residents’ concern with that property at the moment?

Mr COYTE: Yes.

The Hon. LOU AMATO: One thing they are saying is that they do not believe the amount council charging that enterprise is sufficient to cover the cost of the use of that facility. You can take it on notice and come back to us.

Mr COYTE: Very quickly though, it is based on a commercial valuation.

Answer:

Firstly can I say that under Council's Policy for lease and license of council owned and managed properties, commercial rents are generally established through negotiation, but guided by an independent commercial valuation.

Skydive the Beach currently have a lease over a cottage located in Stuart Park, which they use as an operational centre where they receive and induct customers prior to transport to Albion Park Airport. They have occupied this building since January 2006 when they took it over in a derelict state and undertook substantial repairs to make it fit for use. They renewed their lease in October 2009 when a rent of \$30,000pa with CPI adjustment each year was applied against an independent valuation of \$19,000pa. Skydive continue to occupy this building under the "carry over" clauses pending the outcome of a decision in respect to construction of a new building. They currently pay \$37,959pa. A development application was lodged and consent issued but has been challenged by a community group "Protect our Parks" in the Land and Environment Court.

Skydive the Beach also have a license for non-exclusive use of a part of the park [approx250m2] to accommodate their parachute landings. They have operated under a license since December 2000, which was acquired from a previous operator who had operated since 1996. This license was negotiated but it appears that in light of the unusual and non-exclusive nature of the use no valuation was obtained. This license is also on holding over pending the outcome of the court proceedings. They currently pay \$5,470pa for this license.

Should Skydive be successful in defending the current approval, then negotiations for a new lease and license will be based on independent valuations. Valuation of the landing site is a little problematic with our early research revealing sites being leased for \$1 in recognition of the wider economic and employment benefit being brought to locations, to a flat per jump fee in high profile locations in major capital cities. Council's negotiation will be on a commercial basis and has sought the assistance of senior valuers Knight Frank and Heron Todd White to ensure that it gets best value for the Wollongong community.

While not a part of the commercial decision in respect to the amount of rent, the business currently has its national office located in Wollongong and between this and its skydiving operations contributes 71 direct full time equivalent positions and 53 indirect full time equivalent positions. These jobs are in the 18-35 demographic among the highest demand area for employment in the City. The business generates direct and indirect gross Regional Product of \$26.8 million.

I would be happy to provide any further clarification should that be needed.