



## **The Hon Niall Blair MLC**

Minister for Primary Industries  
Minister for Lands and Water

7 October 2016

Mr Samuel Griffith  
Principal Council Officer  
Legislative Council – Committees  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Mr Griffith

I wish to provide an update to my supplementary answer regarding 'Government Agencies Leasing Crown Land' sent to General Purpose Standing Committee 6 for their Inquiry into Crown Land on 9 September 2016.

In response to question 4, the date should read '30 June 2016' (instead of '31 July 2016'). The figure of \$18.138M remains correct. The incorrect reporting date was entered due to an administrative error.

Attached is the response with the new date in place.

If you require any further information on this matter, please contact

Yours sincerely

**The Hon Niall Blair MLC**  
**Minister for Primary Industries**  
**Minister for Lands and Water**

**GENERAL PURPOSE STANDING COMMITTEE NO. 6**  
**INQUIRY INTO CROWN LAND IN NEW SOUTH WALES**

**Questions on Notice**

**Hearing held on 29 July 2016, Sydney**

**CONTEXT (page number 39 & 40):**

**Page 39 - The Hon. MICK VEITCH:** You spoke of rentals. When Government agencies are leasing Crown land do they pay a lease to the department?

**Ms STONE:** Our starting principle for sale and lease of land is market value and then through a series of policies that we have either on rebates or waivers you can apply, depending whether you are a community or sporting organisation or qualify under any of those policies.

**The Hon. MICK VEITCH:** Government departments on Crown land would pay market rent?

**Ms STONE:** They start at market rent and depending what the use of that land may be for it still may qualify. I will add, when there are acquisitions by government agencies of Crown land, and that applies to councils, they are required to transfer at market rate.

**The Hon. MICK VEITCH:** Are there any Government departments outstanding on payment of those fees to the department? **Ms STONE:** I would need to check on that.

**The Hon. MICK VEITCH:** I am told Yasmar training facility, Juvenile Justice, have not paid their fees. Could you deny or confirm that?

**Ms STONE:** We can do that.

**The Hon. MICK VEITCH:** The next thing is about collection of back rents, back lease fees and the department. Is there a current figure on how much is outstanding in lease fees from Crown land?

**The Hon. TREVOR KHAN:** Does this include western lands and the like?

**The Hon. MICK VEITCH:** In general.

**Ms STONE:** We do have rent in arrears that sits on the department's books. We can get you those figures. I will indicate that is an area that we are looking to further investigate given that some of that is because it relates to a deceased estate, some of it relates to an incorrectly applied figure, duplicate applications, those sorts of things. We can provide that further detail.

**Page 40 - Ms STONE:** I will just clarify: we are also guided by Treasury guidelines. If there is an agreement by the Treasurer that we can transfer it nil consideration that is one of the provisions that we are able to currently access. Some of those are policy decisions, but as a guiding principle in terms of Crown land when it is considered for sale or disposal or leasing, you start at market rent as a first principle.

Full copy of the transcript is available at:

<https://www.parliament.nsw.gov.au/committees/DBAssets/InquiryEventTranscript/Transcript/9712/Transcript%20-%2029%20July%202016%20-%20Uncorrected%20-%20Sydney%20hearing.pdf>

**Mr DAVID SHOEBRIDGE:** I understand that with externalities, but within government it seems bizarre. The CHAIR: Just to bring that home: a government department has the ability to waive or exempt based on the proposal. Is that right?

**Ms STONE:** Only with the Treasurer's approval. There are Treasury guidelines that allow us to proceed down that path.

**The CHAIR:** I think they are very helpful because we were certainly going down the track where Crown Lands was going to ask full market value for some community rentals and that was going to impact Meals on Wheels. Local council was not right to go and ask full market rents from those people that are volunteering.

**Ms STONE:** They are two different concepts. What I was responding to there was really about the transfer of land between government agencies. In terms of yes we start with market rent and then we can apply a rebate for sporting organisations, non-government organisations, community organisations that allow the social value of the land being used that is not at the requirements of market rent.

**Mr DAVID SHOEBRIDGE:** Minister and Ms Stone, it might be useful if you gave us in detail on notice, maybe with reference to the Treasury guidelines—divide the two up.

**Ms STONE:** We can do that.

**QUESTION** (as interpreted, where required):

1. What is the process for determining rents for Government agencies leasing Crown land?
2. Are there any Government Departments/Agencies with outstanding lease or acquisition payments?
3. Does Yasmar training facility, Juvenile Justice have outstanding lease payments?
4. What are the current rent in arrears figures?

Please include the Treasury Guidelines.

**ANSWER**

1. Government agencies are required to pay market value for lease of Crown land as per NSW Treasury Direction 469.01.
2. Government agencies (Federal, State and Local) owe a total of \$1.484M to Department of Industry (DoI) - Lands. This amount includes all tenures (leases and licences) as well as monies owed on land being acquired (acquisitions) by an agency that are past the due date.
3. The Minister for Juvenile Justice owned the entire Yasmar site prior to it being gifted (without seeking compensation) and subsequently declared Crown land in 2006. Juvenile Justice has continued to occupy the western wing of the site since that time as a training facility and pays no rent as it considers that an agreement was reached to that effect at that time. DoI Lands is currently investigating the original agreement regarding their continued occupation of the site at nil cost.
4. The total amount of payments in arrears on tenure (which includes leases, licences and permits), and acquisition accounts owed to DoI Lands is \$18.138M as at 30 June 2016. Of this amount the total owing on lease accounts is \$2.238M.

Full copy of the transcript is available at:

<https://www.parliament.nsw.gov.au/committees/DBAssets/InquiryEventTranscript/Transcript/9712/Transcript%20-%202029%20July%202016%20-%20Uncorrected%20-%20Sydney%20hearing.pdf>