

GENERAL PURPOSE STANDING COMMITTEE No. 3

Tuesday 14 October 2008

Examination of proposed expenditure for the portfolio area

LANDS

The Committee met at 4.15 p.m.

MEMBERS

The Hon. A. R. Fazio (Chair)

The Hon. G. J. Donnelly
The Hon. D. J. Gay
Ms S. Hale

The Hon. E. M. Obeid
The Hon. M. J. Pavey
The Hon. R. Smith

PRESENT

The Hon. A. B. Kelly, *Minister for Police, Minister for Lands, and Minister for Emergency Services*

Department of Lands

Mr W. Watkins, *Director General, Department of Lands.*

Mr R. Costello, *Director, Finance and Corporate Support, Department of Lands*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000

CHAIR: I declare this hearing for the inquiry into the budget estimates 2008-09 open to the public. I advise the following substitutions of Committee members: the Hon. Duncan Gay for the Hon. John Ajaka, Ms Sylvia Hale for Ms Lee Rhiannon, the Hon. Eddie Obeid for the Hon. Helen Westwood and the Hon. Melinda Pavey for the Hon. Trevor Khan. I welcome Minister Kelly and accompanying officials to this hearing. This afternoon the Committee will examine the proposed expenditure for the portfolio of Lands. I refer witnesses, the audience and members of the media to my earlier statement about procedural matters such as the broadcasting of proceedings. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Ministers are excluded from this.

WARWICK ARTHUR WATKINS, Director General, Department of Lands, Registrar General, Surveyor General, and Commissioner for Soil Conservation, and

ROBERT COSTELLO, Director, Finance and Corporate Support, Department of Lands, sworn and examined:

CHAIR: As you are aware, Minister, no opening statements are provided for. I declare the proposed expenditure for the portfolio of Lands open for examination. We will commence with questions from the Opposition representatives.

The Hon. MELINDA PAVEY: Minister, you will be aware of the proposed development by Ariadne Australia at Port Macquarie. How much of the land of the Westport Park reserve, land title No. 54279, is proposed to be taken over by this marina redevelopment? It is public land currently.

The Hon. TONY KELLY: The lessee of Port Macquarie Marina, Ariadne, has been selected as preferred proponent to develop the boat trailer park near its marina. Combined with the development of its marina and boat trailer park it is a \$100 million investment in Port Macquarie. The concept put forward by Ariadne will include a new four-lane public boat ramp. I am not sure whether you want us to include that. A lot of the stuff they are doing is out in the public area, so they are contributing a lot to the public space. They are going to include a new four-lane public boat ramp—my recollection is there is a two-lane ramp there now—and extra public boat and trailer parks.

The Hon. MELINDA PAVEY: How much extra public boat and parking area will there be over what there is now?

The Hon. TONY KELLY: I will go through what I have here and we might have to get some specific detail for you at the end. Public walk facilities and a dry stack storage—

The Hon. MELINDA PAVEY: How big is that dry stack storage, do you know?

CHAIR: Order! Can you please let the Minister complete his answer?

The Hon. TONY KELLY: A fantastic new water park and self-nourishing paddling beach are also envisaged for the foreshore of the Hastings River together with a new foreshore promenade. The majority of that is in the public area. In the meantime Port Macquarie-Hastings Council has initiated a foreshore planning exercise and called a summit of identified interest groups and stakeholders to draft a foreshore master plan. Ariadne and the Department of Lands have participated in a recent summit convened by the Port Macquarie-Hastings Council and continue to negotiate with council regarding the scope and extent of proposed developments. Obviously the council is taking into consideration how far that will extend on a whole host of issues such as site lines and so forth. I have had discussions with Port Macquarie-Hastings Council's Administrator, Dick Persson. I understand council proposes to exhibit its master plan very shortly.

The Hon. MELINDA PAVEY: It has, three weekends ago.

The Hon. TONY KELLY: I think they are getting feedback on that now. As to particular areas, unless Warwick has some particular information we might have to take that on notice but when you talk about what is being developed I assume you would exclude the amount they are developing for the public, in other words the public boat ramp and things like that.

Mr WATKINS: I will add a couple of comments if I may. Not just the Department of Lands nor Ariadne, but also Dick Persson, the administrator, is on record very recently as saying there is no net loss of

public space to the community. That is because the space where this development is located is actually rejuvenating that area. There is \$6.5 million worth of—

The Hon. MELINDA PAVEY: Can I just make the point, Mr Watkins, from my understanding and reading of the plans and speaking to the community the net green space is actually being reduced to put in car parking over what is now an open green area.

Mr WATKINS: No, I think this is one of the great difficulties in a project such as this where there is a reasonable amount of emotion, and I can understand that, and some of the clarity does not come out. The clear issue here is that this particular site is an important corner site for the whole of the foreshore development. The proponent has been chosen against a cross-section of submissions and it was deemed appropriate that it met the broadest range of multi-objective outcomes. There has been considerable consultation with the community and the benchmarking of this project against the work done by both the council and us as a department working with the Government Architect. It has to go through planning structure due processes.

The Hon. MELINDA PAVEY: As I understand it, Dick Persson, the Labor-appointed administrator, is concerned about the five-storey boat stack that forms part of this proposal. Has he made representations to you on that?

Mr WATKINS: I am not here to speak for Mr Persson. However, I can say—

The Hon. MELINDA PAVEY: Has he made representations to you on that issue?

Mr WATKINS: I have spoken to Mr Persson about the totality of the project. There have been discussions between Mr Persson, the planner from council, and me and my officers. As a result I believe we have finetuned the project so that we have no loss of functionality but an improved outlook. That is the normal process when you are going through a development such as this.

The Hon. MELINDA PAVEY: Would you be able to take my next question on notice? From your earlier answer I do not think you have the information available. There is genuine community concern that the area available to the public to park, that is, recreational boat users, will be greatly diminished. What public parking spaces will be available for cars and boats under the Ariadne proposal?

Mr WATKINS: We will take that question on notice. I want to put it on the record now, because it is already on the public record, that there is no net reduction. In fact, there is an improvement and an enhancement.

The Hon. MELINDA PAVEY: Could you provide me with those figures? What is available to the public now?

The Hon. TONY KELLY: Just to clarify what you want, you talked about boat parking and car spaces.

The Hon. MELINDA PAVEY: Public parking.

The Hon. TONY KELLY: Including other recreational areas. Are you talking only about open space?

The Hon. MELINDA PAVEY: Public parking.

The Hon. TONY KELLY: Do you want the total net figure in percentages, whether it is the same, slightly more or slightly less?

The Hon. MELINDA PAVEY: That issue is resulting in a lot of community concern. One way or another those answers should be forthcoming to help the community with this major development.

The Hon. TONY KELLY: Let me repeat that the director general said that overall there would be no net loss of public space.

The Hon. MELINDA PAVEY: As in what type of public space?

The Hon. TONY KELLY: I was trying to elicit that information from you. You started talking about cars and boats.

The Hon. MELINDA PAVEY: For example, we have just gone through a long weekend in Port Macquarie. How many boats and cars were able to use that facility?

The Hon. TONY KELLY: You want the number of boats and cars; you do not want square metres?

The Hon. MELINDA PAVEY: That is right.

The Hon. TONY KELLY: If there were two fewer boats that would result in 100 square metres of additional space for people.

The Hon. MELINDA PAVEY: Whatever is the outcome of that.

The Hon. TONY KELLY: Do you also want percentages for the recreational area?

The Hon. MELINDA PAVEY: Yes. What income will be generated for the lands department as a result of this development?

Mr WATKINS: That commercial arrangement is still being finalised. Until the proponents obtain final approval we will not finalise the lease with them. At this stage there are no final negotiations over the lease.

The Hon. MELINDA PAVEY: As I understand it, final approval rests with the Minister for Planning?

Mr WATKINS: That matter is yet to be finalised.

The Hon. MELINDA PAVEY: It is either the administrator appointed by the Labor Party or the Minister for Planning?

The Hon. TONY KELLY: By the Government.

The Hon. MELINDA PAVEY: By the Government, which is controlled by the Labor Party.

The Hon. TONY KELLY: Is it your suggestion that the administrator is not dealing with this matter correctly?

The Hon. MELINDA PAVEY: No, that is not what I am suggesting. I am trying to identify, on behalf of the Port Macquarie community, whether the planning approval process comes under the administrator or the Minister for Planning.

The Hon. TONY KELLY: I think the Port Macquarie community would be quite pleased with the way in which the administrator has been including the public in discussions, in particular, in relation to planning issues.

Ms SYLVIA HALE: You should ask the people of Dee Why what they think.

CHAIR: Order! It is not the member's time for questions.

Mr WATKINS: That position is a matter for the Department of Planning; it is not matter for the Department of Lands. It is a matter for the Department of Planning and local government. We await the outcome of that decision.

The Hon. MELINDA PAVEY: Could you talk me through that process? Who will decide whether it will come under the administrator or the Minister for Planning?

Mr WATKINS: That is a matter for the Minister for Planning and the planning framework. If you look at the planning legislation, which we are not here to represent, you will find a structure in that. I suggest that your question would be better put to the Minister for Planning.

The Hon. MELINDA PAVEY: Referring to income generation for the Department of Lands are you saying that the public will not be aware of what deal has been struck until the approval is given?

Mr WATKINS: No. I said that the final lease negotiations and the lease would not be granted until such time as we had an approved project.

The Hon. MELINDA PAVEY: Is that not what I just said?

Mr WATKINS: No, not quite. The important thing for us is to give licences to enable the proponents to obtain all the planning approvals and to consult with the community. During that time we will be having discussions with the proponents over what might constitute the lease. Any final negotiations over the lease terms, the length and the financial arrangements are not struck until such time as there is a proposal going forward. Now, it is very important that those financial arrangements are secure in confidence with that proponent because of the nature of the tender processes that lead up to that. To change that would undermine the fundamental rigour around the approvals process and the tendering process for all projects, small and large.

The Hon. MELINDA PAVEY: Is there potential for Port Macquarie-Hastings Council to receive income as well?

Mr WATKINS: There is already \$6.5 million coming from the development that is going in to refurbish and enhance the public park. If this proposal is finally approved under the planning framework, the community will also get an enhanced boardwalk and access, and they will get a public beach. So, they get a lot of integrated services that are not there today.

The Hon. MELINDA PAVEY: Minister or Mr Watkins, did anybody have discussions with Ariadne prior to the purchase of Port Marina in relation to the future possible expansion of the marina on to the Westport Park reserve?

Mr WATKINS: No. The two arrangements were done completely separately. If you go back and look at the existing Port Marina, that was placed for sale in the normal processes and proponents who were looking to purchase that certainly checked with the department over the length of the existing lease and likewise. But there was no discussion with any of those proponents about a second stage.

The Hon. MELINDA PAVEY: Or the ability to move into that Westport Park area?

Mr WATKINS: If you go back and look at the expression of interest [EOI], it was an open process whereby proposals would come forward that had a major maritime component or, in fact, had other infrastructure components.

The Hon. TONY KELLY: So anybody else could have ended up with it as well.

The Hon. MELINDA PAVEY: But some other proponents may not have known that that was an option?

Mr WATKINS: If they read the EOI, all they had to do was go to the documentation and it was very clear.

The Hon. MELINDA PAVEY: In relation to another Port Macquarie issue, what income do you expect to receive for the department from your proposed reopening of the North Shore quarry?

Mr WATKINS: There is no identified income. It is a matter of looking at that quarry as being an extremely strategic resource. For the break walls that are protecting the fishing industry and a huge amount of tourism dollars—and I would say protecting their caravan park and the main beach—the rock that was supplied and needs to be maintained for maintenance purposes came from that quarry. So, we do not look at the quarry from a financial point of view. We look at it from a point of view of critical infrastructure to maintain what are our core activities for the State, and particularly for the regional and local economy of Port Macquarie.

The Hon. MELINDA PAVEY: As I understand, that quarry has been sitting idle now for about a decade. Where is the stone coming from currently to maintain the break wall?

Mr WATKINS: Well, there was a supply of quarry material that has been used progressively but, of course, these are substantial structures and you hope that with the rigour upon which they are constructed from the start that you do not have to go in and maintain them every couple of years.

The Hon. MELINDA PAVEY: As I understand it, Kundabung has been providing the maintenance stone for the break wall?

Mr WATKINS: Well, there has been some but, clearly, this particular site is a core strategic site for rock that underpins the whole activity.

The Hon. DUNCAN GAY: Minister, is it correct—it certainly is my understanding—that in February this year you announced the establishment of the Harrington Beach State Park. Can you tell the Committee the exact area that is covered by this proposed park?

The Hon. TONY KELLY: I will have to take that on notice because we have not got it here.

The Hon. DUNCAN GAY: If you are happy, I will return to it during our next question period.

The Hon. TONY KELLY: Yes.

CHAIR: The time for Opposition questions has expired. We will now go to the crossbench for questions.

Ms SYLVIA HALE: Returning briefly to Port Macquarie, Mr Watkins, in relation to the five-storey boat stack you used the words, "The proposal has been finetuned and there is an improved outlook." Does that suggest that the height of the boat stack has been reduced or simply that it has been relocated?

Mr WATKINS: No.

Ms SYLVIA HALE: What does the finetuning consist of?

Mr WATKINS: The finetuning is looking at the look and the architectural feel with the rest of the environment. It also looks at the functionality of it. You are talking about a five-storey structure, right? I believe there has been some misinformation around that particular aspect. So, what you are looking at is like any significant development following a whole range of consultation: the proponent finetuning their project to ensure that it meets the planning framework and other guidelines that have been set for it.

Ms SYLVIA HALE: Are you saying there has been misinformation about the height of this boat stack?

Mr WATKINS: I think there clearly has been significant misinformation about the project.

Ms SYLVIA HALE: What is the proposed height?

Mr WATKINS: I do not have the proposed height here, but you are suggesting to me that it is a done deal at five storeys. What I am suggesting to you—

Ms SYLVIA HALE: No, I am trying to elicit information, not suggest things to you.

Mr WATKINS: What I am saying to you is that until the final proposal is put before whomever the planning authority is, that is when the final shape and size of it will be known. But the structure is an integral part of the provisioning for wet berth and dry berth and is linked to the car parking issue as well.

Ms SYLVIA HALE: Whatever gloss you care to put on it, it is hardly going to be an enhancement of the natural environment of the port, is it?

Mr WATKINS: Oh no, I beg to differ. I think if you look at world's best practice with dry stack boat storage, particularly in the USA and Europe, I would defy you to look at the difference between the external facade of many of these buildings and many other major architectural buildings.

Ms SYLVIA HALE: So much more attractive than looking at water or a bay?

Mr WATKINS: No, I think that when you look at that part of the whole of the foreshore of Port Macquarie, it is important that the citizens of Port Macquarie, and those who visit and underpin their economic wealth as locals, have access to a range of infrastructure and support services, of which open green space is a very important one, but the provisioning of infrastructure is equally important. Indeed, the very questioning about boat ramps and storage and so forth is an integral part of getting that mix.

Ms SYLVIA HALE: But it is integral to the unhappiness within the community about the proposal and particularly the use to which public lands are being put?

The Hon. TONY KELLY: If there are 250 boats that have to be stored somewhere, this is an appropriate way of storing them—go to Western Australia and look at the storage there—otherwise the boats have to be somewhere. They have either got to be spread out on the land or spread out on the water. This is a way of putting them in a concise area.

Ms SYLVIA HALE: How many companies actually tendered or expressed an interest in the development?

Mr WATKINS: I have not got that figure with me, but I know it was greater than three. I do not have the final figure, so I would not put a figure on it because I do not have the documentation with me. However, I have in my mind that at least three, but I do not have the others. So I will not give you a final figure that is more than three.

Ms SYLVIA HALE: What would you say was the advantage of Ariadne's expression as opposed to the other tenderers?

Mr WATKINS: I have not got the documentation here, but I think if you go back and look at the EOI, there is a whole set of criteria in the EOI. So, I think it is clear-cut that the successful tenderer clearly met those guidelines and criteria to a greater extent than other proponents.

Ms SYLVIA HALE: Would you make available to the Committee the names of the other tenderers?

Mr WATKINS: The names of the other tenderers will not be made available until the process is completed because, again, it is important that this process is at arm's length from the Minister, and it needs to be at arm's length from other arms of that process until such time as it is complete.

Ms SYLVIA HALE: When do you expect that process to be completed?

Mr WATKINS: That will depend on the current proponent obtaining planning approval, and we went over that earlier.

Ms SYLVIA HALE: Once that is completed, and assuming Ariadne is successful, will the details of the lease arrangement be made public so that people may be satisfied that the deal is a reasonable one?

Mr WATKINS: Certainly the broad aspects of that will be available, as others are available, but there were certain commercial-in-confidence issues around the competitiveness of that with other businesses that we would not make available.

Ms SYLVIA HALE: I will turn now to the question of travelling stock reserves. An announcement was made on 3 September that a major \$260,000 study into current and former travelling stock reserves in the Hunter region would be conducted by the Department of Lands. The Hunter study, I understand, is expected to provide a model for assessing the travelling stock reserves across the State. What was the source of the \$260,000? Did that come from the Department of Lands?

The Hon. TONY KELLY: In relation to the travelling stock reserves, the travelling stock reserve network predominantly comprises reserved Crown land. I think this issue involves some misinformation that has been peddled in the media, suggesting that travelling stock reserves will be handed over to the Department of Lands. They have always been Crown land since they were designated as travelling stock reserves. In the legislation—and this process has been going on for some time—if any primary producer board gives up its

travelling stock route, it automatically reverts to Crown land. That process has been going on for 100 years. It is my understanding in relation to one particular area in the last couple of years, before this process even started, that 66 reserves were given over. I do not think that particular area has any left at all; they gave all of them over. This is just a process that is speeding up, and it is a process that already existed.

They include reserves for camping stock, reserves for access to water because a lot of fishermen use them, and reserves for crossing water. They are also used for recreational activities, such as camping, walking, birdwatching, fishing, cycling and horseriding. In the Eastern and Central divisions of the State—the only other division is the Western Lands Division—the reserves are generally under the care, control and management of the local Rural Lands Protection Board. The State Council of the Rural Lands Protection Boards commissioned a review into the future of the boards based on a thorough consideration of their efficiency and effectiveness. One of the recommendations was that the travelling stock routes, or TSRs, should be handed back to Department of Lands' management, unless the boards made a good business case for their retention. Boards that decide to relinquish control of their TSRs require the approval of the Minister for Primary Industries.

In these situations the land in question reverts to the control of the Department of Lands for reallocation, in keeping with the principles of Crown land management. The principles of Crown land management address such matters as environmental protection, conservation of natural resources, public use and enjoyment, multiple use, sustainable management and disposal by sale, lease, licence or re-reservation. TSRs have been returned to Lands management over the years, as I have said. There is no valid reason why this longstanding practice of reallocation should not continue. The Rees Government is providing \$260,000 for a major study into travelling stock reserves in the Hunter region, as already pointed out. This study will examine the future needs and uses of these Crown reserves. The study is being undertaken by the Department of Lands in partnership with the Hunter Central Rivers Catchment Management Authority and a stakeholder reference group. It will look at the intrinsic value of each TSR in the Hunter and include conservation issues, their social context, and heritage values. Underpinning this study will be the current and future needs of local communities in relation to these TSRs and how they may best be managed in the future under the multiple use principles of the Crown Lands Act. Some TSRs are better managed for heritage purposes, some are ideal for recreational use, and some are used for cultural and environmental purposes, so there is no one size fits all approach, and that is why the department will do an assessment of the whole lot.

Ms SYLVIA HALE: I am sorry, I do not wish to interrupt, but that really is not an answer to my question. My question related to the \$260,000 that was provided for the Hunter study. I asked where that money came from.

The Hon. TONY KELLY: I was getting to that because, as I said, one of the partners in the study is the—

Ms SYLVIA HALE: The Hunter Central Rivers Catchment Management Authority.

The Hon. TONY KELLY: That is right, the Hunter Central Rivers Catchment Management Authority. That funding is coming from catchment action funds. It is catchment action funding.

The Hon. ROY SMITH: Minister, I believe there is a policy or a program in place whereby Western Lands Division perpetual grazing leases can be converted to freehold title. Can you tell me what areas are eligible or have been converted to freehold title and whether there are plans for other areas or properties to be eligible for conversion?

The Hon. TONY KELLY: The director-general might be able to allude to this as well, but my understanding is that it is urban areas or the urban interface.

Mr WATKINS: Yes, it is. It is the urban leases. That was to try to help regional communities obtain economic stimulus. There is no conversion program for Western Lands leases for grazing and other purposes.

Ms SYLVIA HALE: You have said that funding will come from the catchment action funds. I believe that once the Hunter study is completed, that will be used for a study of the reserves and network across New South Wales. Where will the funding for that broader study come from?

The Hon. TONY KELLY: I am sorry; I should clarify that. That \$260,000 is actually coming from the Rees Government, and it is complemented by other funds.

Ms SYLVIA HALE: What proportion is coming from the Government?

The Hon. TONY KELLY: Well, \$260,000 is coming from the Government.

Ms SYLVIA HALE: It is being complemented by other sources of funding?

The Hon. TONY KELLY: From the Catchment Action Group.

Ms SYLVIA HALE: What proportion is that?

Mr WATKINS: We do not have the figures here.

Ms SYLVIA HALE: Could you provide them to the Committee?

Mr WATKINS: If you wish.

Ms SYLVIA HALE: Going back to the Hunter study, over what period of time will it be conducted?

The Hon. TONY KELLY: That will be some time in the New Year.

Mr WATKINS: I do not have a study in front of me, but it is certainly a 12 months study.

Ms SYLVIA HALE: What is the intention? How would you use the information gained from that study?

Mr WATKINS: I think the Minister has already alluded to that in quite some detail in the sense that this is a pilot program looking at establishing the principles, right? We are identifying a framework which could be applied to other parts of the State. I think it is important to note that the travelling stock reserves in these areas will continue to be reserved—all of them—for travelling stock. They have all been reserved for environmental and other purposes.

What we are really looking at here is the overall management program. By maintaining this part of the integrated Crown reserve network, it provides an integrated network of Crown reserves that meet representative regional reserve targets; but, importantly, it also maintains the multiple use for travelling stock and other purposes. We are getting enhanced outcomes. This project in the Hunter is part of a management approach to continue to improve the understanding and management practices of these areas.

Ms SYLVIA HALE: It is anticipated that there will be similar assessments of reserves in Eastern and Central divisions of the State?

Mr WATKINS: Under the Crown Lands Act there are already processes in place to do plans of management and reserve assessments. That is an ongoing process. It will continue to be an ongoing process as these areas are transferred. There is no mass transfer of these areas. It is important to note, as the Minister has outlined, that there is nothing new in this process. Again, there have been some alarmist comments around all of this being about to be handed back to the Department of Lands, and all of a sudden there will be anarchy. This is a structured program of putting in place co-management between the TSR structure and the Department of Lands. That is something that has been in place for 100 years.

The Hon. TONY KELLY: My understanding is that before the Minister for Primary Industries agrees to relinquish them they are doing an audit as well. So prior to that there will be an audit process separate to the one we are conducting.

Ms SYLVIA HALE: When do you expect that to be completed?

Mr WATKINS: It is not a matter of completing it because it is an ongoing program.

The Hon. TONY KELLY: It could be a five-year or 10-year program.

Mr WATKINS: The needs of the pasture protection boards on a regional basis are different, in the way the travelling stock framework is different. So it is important to look at the original purpose for which these lands were allocated. What we are looking at now are improved management frameworks around the management of those lands.

The Hon. DUNCAN GAY: I have a question on the Harrington Beach State Park. Do you know that area?

The Hon. TONY KELLY: I understand that the physical geographical area is 433 hectares.

The Hon. DUNCAN GAY: Who do you envisage will administer the park? Will local government have a role in that?

The Hon. TONY KELLY: The Director General might look at that. There is a host of different ways that these are administered in the State. Local government is the reserve trustee in many cases. In a lot of cases individual reserve trustees look after some of these areas, but this is a State park and it may well have a different model, similar to our other State parks.

Mr WATKINS: We are still working through with the major stakeholders, but we envisage a co-management structure that empowers both local government and the community. I know this area very well. It is in the heartland of Old Bar. It is an important area as it has a lot of intrinsic values of multiple use. Council has trusteeship of the existing caravan park and the sporting facilities. Therefore, council will continue to be an integral part of the final management structure.

The Hon. DUNCAN GAY: Do you expect council to do that out of the goodness of its heart?

Mr WATKINS: No.

The Hon. DUNCAN GAY: The Minister knows about local government and unfunded mandates. They are a bit anxious about these things.

Mr WATKINS: Importantly, if you look at the revenues from the caravan park and where they are going now, they are going to local government to maintain that. Again, it is important to stipulate that where councils, local government, are trustees of Crown land, the moneys that are generated from those trusteeships should be returned to the Crown land, not hypothecated across a broad range of activities including council roads. In this case the moneys that are generated from the existing park will continue to be put back in. Not only the council but also the local citizens will benefit.

The Hon. DUNCAN GAY: The caravan park moneys manage the park?

Mr WATKINS: Correct.

The Hon. TONY KELLY: Generally, with a lot of these trusteeships, particularly on the coast, council make considerable money out of these Crown reserves. Generally, we expect to ensure that councils spend that money back on Crown reserves. An audit process is being developed to ensure that councils do not cross-subsidise other things that they should be paying for out of rates.

The Hon. DUNCAN GAY: Has a plan of management been prepared in relation to the park?

The Hon. TONY KELLY: Not yet.

Mr WATKINS: The plan is underway. There is old documentation around various parcels but we plan to do an integrated plan of management that will form the basis of ongoing management structures.

The Hon. DUNCAN GAY: When will that be put on display?

The Hon. TONY KELLY: The process is that we would come up with a draft plan of management first and then display that before the final plan is adopted.

Mr WATKINS: Under the Crown Lands Act—

The Hon. MELINDA PAVEY: At that point will you get the community's input?

The Hon. TONY KELLY: Yes.

The Hon. MELINDA PAVEY: At the moment the community is concerned that it is not being involved in the process.

The Hon. DUNCAN GAY: When will it go on display?

Mr WATKINS: At this stage the plan of management has not been prepared. Under the Act, the plan of management must be on display for the statutory period of at least 28 days. Our experience is that plans of management for these types of activity stay on display for much longer periods. So from that point of view the community will be fully consulted and will have front-line opportunities to have input.

The Hon. DUNCAN GAY: Can you assure me that it will not be like the plan of management of the marine national parks, which go on display for three days over Christmas?

The Hon. TONY KELLY: I will give you that assurance.

The Hon. MELINDA PAVEY: But when will it go on display?

Mr WATKINS: I am not being trite here but when it is completed.

The Hon. MELINDA PAVEY: Are we looking at six months?

Mr WATKINS: We would want a draft plan of management completed and in the marketplace within six to nine months. Then there is a process and, depending on the feedback, the final plan may not be complete, because of consultation and iterations, for a total of 12 months or more.

The Hon. DUNCAN GAY: Did you give Greater Taree City Council \$30,000 to assist in the manual opening of the Manning River at Farquhar Inlet? Is it correct that you requested that the grant be returned to the Department?

The Hon. TONY KELLY: No. I think \$30,000 went into a trust. A lot of the community and council also put in money. I will ask the Director General to explain how that has been managed.

Mr WATKINS: The Minister, on behalf of the Government and the citizens, became very proactive in this particular site not only when ecological damage was occurring but when there were strong concerns about the likelihood of fishermen and other people. The department worked with the council and said that there was an amount of \$30,000 available should it be needed, and that was to be on a matching basis. The natural processes that occurred during that period and the notch which was finally broken through, and because of the hydrological patterns that occurred at the time, meant that that amount of funds was not necessary. So only those funds that were necessary to support the opening were provided. It is not a matter that an amount was given to the council. An undertaking was given that this amount was available should it be needed.

The Hon. DUNCAN GAY: So my original statement is correct.

Mr WATKINS: No.

The Hon. DUNCAN GAY: An undertaking was made but it is no longer there.

The Hon. TONY KELLY: No.

Mr WATKINS: An undertaking was made that should those funds be necessary to create the opening those funds were available. The opening was able to be created and currently is being maintained for a much lesser cost. So the task was achieved well within the upper limit of funding which was made available.

The Hon. DUNCAN GAY: But this opening was at Farquhar. What they need is an opening at Harrington.

The Hon. TONY KELLY: You are talking about \$5 million, not \$30,000.

The Hon. DUNCAN GAY: —that \$30,000 was available for Harrington.

The Hon. TONY KELLY: No. It was only ever available for Farquhar.

The Hon. DUNCAN GAY: It is the one river.

The Hon. TONY KELLY: No, they are two different spots. It was only ever for Farquhar. There are still ongoing works there. I note that there are still discussions between the Department of Lands and the council, looking at shoaling that is occurring there. There was never any suggestion that this money would be used anywhere else. That is a different argument altogether.

The Hon. DUNCAN GAY: So you could put the money back into the river for other projects.

The Hon. TONY KELLY: I think this money is available for the original purpose. We would look at other sections of the river.

Mr WATKINS: We did a lot of trained and untrained entrances up and down the coast. There is a lot of call on that funding. The original target was met. Any comparisons between Farquhar inlet and the Harrington mouth are only physical through connection.

The Hon. DUNCAN GAY: So the answer is no. You are no longer generous. You were generous but you are now mean.

Mr WATKINS: No. With respect, the funds that were available still remain available but they were never called upon. They were only called upon to a certain level.

The Hon. MELINDA PAVEY: Is the Minister saying that it will cost \$50 million to open up Harrington?

The Hon. TONY KELLY: They have put another wall in there.

The Hon. MELINDA PAVEY: What about keeping the Harrington Manning River entrance opening clear? There is constant shoaling there, which is causing concern in the community. Will that be addressed in the draft master plan?

Mr WATKINS: Harrington is an issue that the community at large must address. It is not an issue for a single government from one period to another. It is the only major untrained river entrance on the east coast of New South Wales. Various estimates for the training of that entrance vary from \$45 million to \$65 million; therefore it is an extremely significant cost. Even with the nature of the hydraulics of the river system, there is some doubt that, if that money was spent, it would still be able to be maintained as a viable entrance. We are continually consulting the community. Indeed, we work with the boat building industry and Steber. We have been on site meeting with the community. I think there is a high level of maturity and understanding about the difficulties of the site but there is still a commitment to try to do something. We are committed, too, if a financial pathway that is not from one source can be found and the engineering problems can be overcome so that we end up with a solution that is sustainable and not a short-term fix.

The Hon. DUNCAN GAY: And the \$30,000 would be available.

Mr WATKINS: The \$30,000 is always available.

Ms SYLVIA HALE: I briefly turn to Wallaga Beach and the old camping ground. As you know, the old camping ground is being dedicated for public recreation but it is also an Aboriginal heritage site that is due for hand back at a date yet to be determined or decided. The only access to the beach.

The Hon. TONY KELLY: Has it got a different name? I cannot find it.

Ms SYLVIA HALE: The dedication is 580016.

The Hon. TONY KELLY: Where is it?

Ms SYLVIA HALE: Wallaga Beach runs from the mouth of Wallaga Lake up to Mystery Bay on the South Coast. The only access to this beach is via road reserves that run through private property and wetlands. I understand that the Department of Lands has offered for sale the road reserve that runs down to the old camping ground and has approved the sale in principle. It has forwarded to the applicants, P L and H J Blessington, an application to purchase it. Will the Minister makes this purchase conditional upon formal permanent access to the old camping ground being put in place?

The Hon. TONY KELLY: I do not have any details of that so I will take it on notice and get back to you. In relation to a question by you or the Hon. Melinda Pavey, in relation to Port Macquarie Westport Park the council plans that are currently on exhibition show no net loss in open space.

The Hon. DUNCAN GAY: I think the question was on parking, not open space.

Ms SYLVIA HALE: I refer to the delay the department is experiencing in responding to Aboriginal land claims. I understand often there is a very extensive delay in the issuing of certificates of title on validly granted land claims, something that the Auditor-General noted in his recent report to Parliament. He described it as being a \$1 billion logjam in land claims. What action, if any, has the Minister taken to resolve the problem? Some land claims were granted more than 10 years ago and the Local Aboriginal Land Council has not yet received title to the land.

The Hon. TONY KELLY: There are two issues: I think you are mainly talking about the surveying of the land but I will say that in relation to the vast majority of Aboriginal land claims that I sign and refuse it is because it is freehold land. In one particular year 8,000 claims came in when we had about 1,200 on the books before that. We ended up with an extra 8,000 in one year—everything was claimed, even freehold land. The department had to proceed them in an orderly fashion and that caused a big logjam. We are working through that. Your question specifically relates to the survey. Once they are granted they have to be surveyed. Obviously the department does not have the resources to survey them. The Director-General might make some further comments, but we have continually made offers to them that if they want to survey the land we can do it straight away. But if they wait for the department to do the survey then obviously they will have to wait until the department has the resources to do it.

Mr WATKINS: That is exactly the situation. The letter forwarded by the Minister on the approval clearly identifies that they have received title and the registration of that title is subject to a survey plan. That survey plan, we have discussed with them on a number of occasions—and I have personally as a Surveyor General and Registrar General—that I believe in many cases we could do and they could do compiled plans because large tracks of land that have been granted to Aboriginal communities will not be subject to development and, therefore, not require survey. Most land councils have refused to accept that as an option.

We work through a program where we work with the land councils to try to prioritise those so that any areas that are subject to development to improve the social and economic wellbeing of their people, we bring those to the top. The current Government allocated enhanced funding over a three-year period. We are halfway through that period now. We also work with other government agencies that have young surveyors and we bring in additional surveyors to do this work. It is an important area of activity for which there are not sufficient resources to be able to do all the survey within the timeframe that people would like, but we prioritise them.

(The witnesses withdrew)

The Committee proceeded to deliberate.
