

CORRECTED COPY

GENERAL PURPOSE STANDING COMMITTEE No. 3

Friday 18 September 2009

Examination of proposed expenditure for the portfolio area

LANDS

The Committee met at 9.15 p.m.

MEMBERS

The Hon. A. R. Fazio (Chair)

The Hon. D. J. Clarke
The Hon. G. J. Donnelly
Ms S. P. Hale

The Hon. G. S. Pearce (Deputy-Chair)
The Hon. R. A. Smith
The Hon. M. S. Veitch

PRESENT

The Hon. A. B. Kelly, *Minister for Lands*

Land and Property Management Authority

Mr W. Watkins, *Director General*

Mr R. Costello, *Director, Finance and Corporate Support*

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**

DEPUTY-CHAIR: In the absence of the Chair, I will chair the meeting. The Committee hearing for the inquiry into budget estimates for 2009-10 is open to the public. I welcome Minister Kelly and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Lands.

In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members or witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. The guidelines for the broadcast of the proceedings are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or Committee clerks. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers while at the table.

The House has resolved that answers to question on notice must be provided within 21 days or as otherwise determined by the Committee. The Committee has not varied that resolution. Transcripts of the hearing will be available on the Web from tomorrow morning. All witnesses from departments, statutory bodies or companies will be sworn prior to giving evidence.

WARWICK WATKINS, Director General, Land and Property Management Authority, and

ROBERT COSTELLO, Director, Finance and Corporate Support, Land and Property Management Authority, sworn and examined:

DEPUTY-CHAIR: I declare the proposed expenditure for the Lands portfolio open for examination. As there is no provision for a Minister to make an opening statement we will begin with questions from the Opposition. Following the recent ministerial reshuffle do you retain your status as a senior Minister?

The Hon. TONY KELLY: A list has been put out by the Premier.

DEPUTY-CHAIR: I looked at the Web on Wednesday and you still appear to be number 10. Is that right?

The Hon. TONY KELLY: That is not the appropriate list.

DEPUTY-CHAIR: Do you still get the extra salary as a senior Minister?

The Hon. TONY KELLY: I am Deputy Leader of the Government. That is a caucus decision. My salary is set accordingly, regardless of my position in the Cabinet. The Remuneration Tribunal sets the salary of all members of Parliament, including yours. There is a particular salary for Deputy Leader of the Government.

DEPUTY-CHAIR: Do you get a supplement as Deputy Leader of the Government?

The Hon. TONY KELLY: Yes.

DEPUTY-CHAIR: I am just trying to work out whether you still get the extra pay as a senior Minister.

The Hon. TONY KELLY: There is no extra.

DEPUTY-CHAIR: There are two levels of pay.

The Hon. TONY KELLY: Yes, I know. The Deputy Leader of the Government is above that. The rest does not matter.

DEPUTY-CHAIR: I looked, but I could not find it.

The Hon. TONY KELLY: It is on the Web.

The Hon. GREG DONNELLY: They have been in opposition for so long they do not have to worry about these things.

The Hon. TONY KELLY: Opposition members are paid exactly the same amount. The Leader of the Opposition is paid the same and there are percentages for each classification.

DEPUTY-CHAIR: But you are still the Deputy Leader and Acting Leader.

The Hon. TONY KELLY: Until caucus meets, which will be before we return to Parliament on Tuesday. Nominations have not closed yet.

DEPUTY-CHAIR: How many ministerial staff do you have now?

The Hon. TONY KELLY: Eight or ten.

DEPUTY-CHAIR: According to the last list I saw on the website you had 14.4. So you had to get rid of 6.4.

The Hon. TONY KELLY: There were police advisers.

DEPUTY-CHAIR: But you still have the rest of your staff.

The Hon. TONY KELLY: They change. It is an opportunity for staff to move around. Some staff move and you get other staff.

DEPUTY-CHAIR: Have you moved on any staff or do you still have the same staff?

The Hon. TONY KELLY: Most of them move on at the end of this week. Obviously, they are in a state of transition. Some will be here helping the Minister for Police at the next hearing. You will see some of my former staff then.

DEPUTY-CHAIR: How much time did you devote to the Lands portfolio when you had other portfolios?

The Hon. TONY KELLY: I have always spent a lot of time on the Lands portfolio. I am very passionate about Lands for a host of reasons. My very first job when I left school was in the Department of Lands in Bridge Street. If I recall it correctly, the postal address was GPO 39. For the first 18 months of my working life I was in the Land Transfer Branch. I have had a close relationship with the lands department ever since, primarily because it is particularly important for country people.

I have a map here showing the Crown land in the State, not counting national parks or forestry. It does not depict areas in the eastern divisions clearly because many of the blocks are small and they are not contiguous as they are in the Western Division. The map shows the tenured land and the reserved Crown land. It does not depict the riverbeds or the three nautical miles out to sea. Given that, the Department of Lands is one of the most important departments for country New South Wales. That is why I have always taken a keen interest in it. While I had the Police portfolio I had to balance my time just like any other Minister who has a number of portfolios, such as the Hon. John Robertson and other Ministers who have had a big job in trying to balance their portfolios. I have always taken and will continue to take a great interest in rural and regional New South Wales. That is why I am here.

The Hon. GREG PEARCE: What sort of things have you been doing as Minister for Lands? What sort of functions do you go to?

The Hon. TONY KELLY: I should give you a bit of a breakdown of what the lands department does, because I do not think everyone quite understands this—you might, as a solicitor. Under the Land and Property Management Authority, say, the new one—there are a couple of extra bits in that—we have about 19 different departments. The first one is the Valuer General, who does all the valuations for council rates right across the State and also for Treasury in relation to land tax. The Registrar General registers all property dealings in the State, and billions of dollars of those are transferred each year. The job of the Surveyor General is to make sure all blocks of land in the State are properly surveyed and that there is no overlap so you get correct title to your

land. There is native title and there are Aboriginal land rights. Only recently I travelled to South Australia, and I recall the Hon. Mike Gallacher criticising me as Minister for Police for not being at an attestation in Goulburn because I was at a ministerial council for lands and Aboriginal land rights in South Australia with all the Ministers and Attorneys General in Australia.

Then there is land and property information and the provision of spatial information services. There is the State Property Authority, which has only just come over to the lands department, but that reports to the Minister for Finance. There is the development and sale of Crown property, the Office of Strategic Lands. That was formerly with Planning. Then we have Crown land development, Crown lands home site programs, Crown leasehold entity, the Festival Development Corporation up on the Central Coast. There is the Hunter Development Corporation, although it answers to Minister McKay. There is the Lake Illawarra Authority. All the State parks and Crown reserves—I think there are something like 30,000 reserves across the State. Councils are reserve trustees for a lot of those, but I think 700 of those are managed by volunteer trustees, who do a wonderful job.

There is the minor ports program. I think there are 39 ports up and down the coast that we look after and make sure they are properly dredged to allow commerce to continue. I have mentioned the Lake Illawarra Authority. There are State parks and Crown lands—all those State parks, for example, recreation areas, throughout the State. There is the Soil Conservation Service. Going back to my continued interest in it, long before I was Minister for Lands, one of the things I have been very keen on—as has the Hon. Rick Colless from the Coalition, as an ex-soil conservationist—is the Soil Conservation Service, which I think is fantastic for rural and regional New South Wales and is one of the most appreciated government departments. I have a big interest in that, which no-one can deny. Finally, this also is something no-one can deny my interest in, the Office of Biofuels is also with the lands department, and again I have had a big interest in that for a long time.

The Hon. GREG PEARCE: Perhaps that long list explains why I continually get representations from the community complaining that the department takes four, five, six, seven years to deal with applications in relation to Crown lands and various other things?

The Hon. TONY KELLY: If you are going to make an accusation like that you should be specific and tell us which one.

The Hon. GREG PEARCE: You and I have talked about the Tebbutt case for a start. I do not want to go over it because we did that last week in Parliament. But I have a whole bundle here of emails and letters from people claiming that their applications have taken four, five, six years to be dealt with, and they are still not dealt with.

The Hon. GREG DONNELLY: Never mind about the Tebbutt case, we have the budget—

The Hon. GREG PEARCE: We have the audited accounts each year—

CHAIR: Order! Only one Committee member should be speaking at a time. The Hon. Greg Pearce may proceed.

The Hon. GREG PEARCE: The audited accounts each year are qualified because your department has not been able to value and identify Crown land.

The Hon. TONY KELLY: Madam Chair, the member has asked me a question and I asked him to be specific. He has then been specific about Tebbutt, so I should give you an answer on Tebbutt. That needs to be put on the record. Martin Tebbutt's complaints about the former Department of Lands and me commenced in 2004. He maintains that his application to purchase perpetual lease No. 91122 should have been processed under schedule 7A of the Crown Lands (Continued Tenures) Act instead of schedule 7 of that Act. Mr Tebbutt has made representations to every member of New South Wales Parliament. He has complained to the Ombudsman and has even asked radio broadcaster Alan Jones to take up his cause. His complaint was initially investigated by the Corporate Governance Unit of the then Department of Lands. Later that investigation was reviewed by the Ombudsman.

While the Corporate Governance Unit identified some administrative errors in processing Mr Tebbutt's application, its investigation confirmed that the purchase application was correctly processed under the legislation in force at the time. Mr Tebbutt was not financially disadvantaged by the administrative errors and,

accordingly, the investigation concluded that he was not entitled to any refund. In April 2009 the Ombudsman advised Mr Tebbutt that he had decided not to formally investigate the matter. That advice went on to say:

The department [of Lands] has reviewed your complaint on several occasions and has previously responded to you explaining the reasons for its decisions.

There is no obligation on the Director General to now reply to every single point you raise in your correspondence or agree to an interview.

The Ombudsman understands the need for agencies to place limits on the amount of resources spent on reviewing the same issues and responding to correspondence raising matters that had already been reviewed ...

In a subsequent letter, in May 2009, the Ombudsman advised Mr Tebbutt that:

I acknowledge you are unhappy with my decision. As a matter of courtesy, I need to advise you that any further correspondence about the issues already reviewed will be read and filed but not responded to.

That is the Ombudsman's response after years of correspondence to the department. You cannot say the department did not respond. They did not respond in the way Mr Tebbutt wanted them to. They did respond and the Ombudsman has responded as well, except that he has now said he is not going to respond anymore.

The Hon. GREG PEARCE: That is one of the worst cases.

The Hon. TONY KELLY: Well, it is the one you gave me.

Hon. GREG PEARCE: I asked you also about information technology projects in the department and I actually listed a few of them in a short adjournment speech the other night. You claim that there are not any delays or overruns. I listed several of them, including the human resources information technology upgrade, property interests information technology system, imagery and mapping online service, national electronic conveyancing system, the survey infrastructure project, which all have delays and/or cost blow-outs?

The Hon. TONY KELLY: My advice was that that is not true and I will get the director general to respond to your claims?

Mr WATKINS: No, they do not have delays and cost blow-outs. What I think you are seeing is an organisation which is very responsive to not only market forces but also the needs of the community. We have a \$19 million capital development program. I should put on record that we were the first land titles registry in the world to computerise its records. Secondly, we are one of the leading organisations in the world, certainly in Australia, with respect to the application of computers to spatial information.

The movement of technology as an enabler to unlock the value in government information to increase service delivery is very significant. Therefore, we have a range of programs that need to be tailored from time to time to meet those needs, so it is inappropriate to take one-line items and a broad figure, which could encompass four to five projects, and say that there has been a cost blow-out. What you need to do—

The Hon. GREG PEARCE: Perhaps you could give a detailed answer on each of those projects and take that on notice?

Mr WATKINS: Yes, I would be very happy to, because the gross statements, with respect, do not pay due diligence to the nature of the work undertaken.

The Hon. GREG PEARCE: That is what the budget papers say, so if you have an explanation with more detail then I am happy to have that.

The Hon. DAVID CLARKE: Minister, given the importance of the modern land transfer system and resolution of many Crown land issues to ordinary mums and dads, landholders and small businesses, why has so little been achieved in your term as Minister for Lands in updating the service levels, practices and procedures, and information technology in the Department of Lands?

The Hon. TONY KELLY: I think that is, again, a very false claim. In fact, you have just heard the director general point out that we were one of the first in the world to go onto some technology, so perhaps I should just let the director general explain some of the things that have happened over the last decade—more particularly since about 2003.

Mr WATKINS: Just touching on a few of those salient points, I have just placed on record that, indeed, the titles office, which forms an integral part of the former Department of Lands and now the Land and Property Management Authority, is in fact a world leader in the application of technology and the creation, design and implementation of title systems and land information systems generally.

The Hon. DAVID CLARKE: Who says it is a world leader?

Mr WATKINS: It is a world leader because we are constantly sought by the World Bank, the Asian Development Bank and other places around the world to consult with them in the application of our systems. We constantly get visits from various parts of the world to investigate our systems. Secondly, as the Chair of the Australian and New Zealand Land Information Council, I am in a strong position to oversight policy and direction for the whole of Australia and New Zealand with respect to the development of land information systems.

The Hon. DAVID CLARKE: So it is your opinion that you are a world leader?

Mr WATKINS: No, with respect, what I said was that my opinion is based on a demonstrable fact. It is based on the fact that we have constant requests from across the world—and I am quite happy to place on record what they might be and give you information if that is what you seek—which demonstrate that we are, in fact, sought as one of a number of groups around the world which are world leading. That is also based on, indeed, the fact that we have won a number of awards in this area. This is not a moment to boast; it is a moment just to deal with facts, and the facts are quite demonstrable that we are a world leader, in not only Australasia but the world in the very points that you have mentioned we are lagging in.

The Hon. DAVID CLARKE: Following on from that and talking about leadership, Minister, you are responsible for administering some 18 cemeteries Acts. Why have you not consolidated a lot of this legislation and streamlined the administration of this area in your term as Minister for Lands?

The Hon. TONY KELLY: I am glad you asked me a question about cemeteries. Again, I am pretty concerned about the lack of attention to cemeteries that governments of all persuasions for the last probably 50 or 80 years have given to cemeteries. In fact, until my term very little notice had been taken of looking after the future of cemeteries. For example, one thing I can tell you is that when cemeteries—and particularly, say, when the Rookwood Necropolis Act was set up—allocation was made for the various denominations and, in particular, obviously the Anglican and Catholic religions. There was some for the Jewish religion but very little for the Muslims.

That has meant a significant overcrowding or lack of space for the future for some of the religions. We have had a significant review. I will not point out that I was the Minister involved in making sure that the Catholic religion got a crematorium at Rookwood even though six Ministers had attempted to get it. The Rookwood Necropolis Repeal Bill that I brought through Parliament this year, 2009, ushers in a new management model for the cemetery. The Act repeals the old Rookwood Necropolis Act of 1901 and brings the management of the necropolis completely under the modern provisions of the Crown Lands Act 1989. A key component of the reform model is a new trust, the Rookwood Necropolis Trust, which will renew the focus on the management of Rookwood in a single parcel of dedicated Crown land.

The existing denominational trusts will, on the whole, continue to operate the responsibilities of their respective parts of Rookwood and will work closely with the Rookwood Necropolis Trust on a new plan of management for the necropolis—but continuing there are significant problems with burial spaces in Sydney, in particular. As I said, probably for 70 or 80 years governments have not taken any notice of where they should have burial spaces in the future. I have undertaken a program to try to sort out some problems at Rookwood with the new Act and to look at new cemeteries. We have allocated a significant amount of space already in western Sydney and north-western Sydney. You may or may not know about that, but I did that about two years ago. I am currently negotiating for further lands in south-western Sydney to try to make sure that there are significant burial spaces for at least the next 50 years in Sydney.

The Hon. DAVID CLARKE: Has this involved a consolidation of legislation?

The Hon. TONY KELLY: Well, as I said, the most significant legislation is the necropolis legislation. Most of the other cemeteries in the State are run under the Crown Lands Act and are mostly run by councils.

There is sufficient burial space to meet the needs of Sydney until the middle of the century, but we are looking at the several strategies that I mentioned. We canvassed that in the discussion paper that we put out last year, "Sustainable Burial in Sydney Greater Metropolitan Area". The Land and Property Management Authority is currently finalising options for the Government's consideration.

I previously mentioned in the House that I have already secured that 90-hectare site in Sydney's north-west for cemetery purposes and we are working closely for other sites. I have also been able to allocate just recently some 800 further sites for the Muslim community at Rookwood.

CHAIR: That draws to an end the time for questions by members of the Opposition. We will now go to the crossbench for questions and we will start with Ms Sylvia Hale.

Ms SYLVIA HALE: Minister, I would like to talk about Crown road reserves. About five years ago the State Government attempted to increase the rental on Crown road reserves by 700 per cent to \$350 a year, but this was reduced after representations from the Farmers Association. In 2007 the concessional arrangements for the purchase of Crown roads were extended until the end of the 2010-11 financial year. After the concessional period expires and rents increase to market levels, do you expect that undue pressure will be placed upon farmers to purchase the reserves, even though many of those farmers are already suffering from the effects of climate change, drought, and so on?

The Hon. TONY KELLY: At this stage you are not talking about perpetual leases but about Crown roads closures?

Ms SYLVIA HALE: That is right.

The Hon. TONY KELLY: That was a Government initiative—I think you are right, it was in 2004; I think Michael Egan did it as Treasurer during a budget speech in 2004—to close and dispose of unnecessary Crown roads. That includes roads that are enclosed within properties under enclosure permits. To a large degree, they were referred to as paper roads. As at 21 August 2009 there were 32,828 road enclosure permit accounts on the books of the Land and Property Management Authority—and I suspect probably a similar number that were out there, but not under an enclosure permit. In other words, they were not leased; they were just used by farmers or they were not used at all.

I know I have done this in the House before, but if I can explain how this came about. When the people drawing the plans here in Sydney set up all the blocks of land, they made sure there was access to every block. All those blocks are not individually owned now; they have obviously been consolidated over the years. They did not necessarily go out and check to see whether a modern car that is four inches off the ground could traverse this land. In fact, they were only concerned that a horse could do it—obviously, because there were not any cars around at that stage.

Certainly around my area, these paper roads go through gullies as deep as this building. In fact, I think horses would find it very difficult. Those paper roads have been maintained by farmers for a long, long time. The reason that Michael Egan wanted to change the situation is that for, I think, over a decade the route on them had not changed, they were about \$70 a year, and it was costing more to administer them than the income that was coming in. So, the proposal was put forward that rents would eventually go up to \$350—which was calculated on what it was originally, plus the consumer price index over a period of years to get to a more reasonable figure—but farmers would be given opportunity to purchase them at very reduced costs. From memory, it was about half the normal cost of closing the road. They had to make sure, firstly, that there were not any environmental factors involved and, secondly, that they were not the only access for a neighbour, and then that process was underway.

Of those 32,828, we have received 11,873 applications. Of those, 4,000 have been approved for closure, and 726 are not proceeding because they were roads that were needed for access to a neighbour, or they had environmental issues with them, or after a period some of them withdrew the application. They could hand in the lease as well. The other alternative is that, at the end of the period, if they do not want to continue to lease them, they can just hand it back. Admittedly, they will have to have it fenced. A lot of these paper roads are fenced inside the farmer's farm—even though they are Crown land, there is no fence there.

It was exactly the same when I bought one of my farms. I was a bit ikey to pay the \$70, so I fenced the Crown land out. So, if the farmer does not want to continue and lease it, or if he does not want to buy it, he has

the third option of just handing it back to them, but he should then fence it out. The whole idea of this, as I said, was to try to make it much simpler for the department—instead of wasting their time sending out 32,000 bills each year and not getting a return on them—but also give the farmers an opportunity to buy them and incorporate them in their lands.

Ms SYLVIA HALE: If they do hand a lease back, is the State Government required to meet half the cost of any fencing?

The Hon. TONY KELLY: I think as a property owner yourself you would understand that if you put up a front fence on your property in Sydney, you have to put up the whole cost.

Ms SYLVIA HALE: But if you have a front fence—

The Hon. TONY KELLY: If you are on a corner block, your side fence is entirely your cost. Anywhere in the State, in fact in Australia, if your property bounds onto public land—which practically every property does—you have to meet the full cost of that fence. So it is absolutely no different.

Ms SYLVIA HALE: Minister, I think you said there were 11,873 applications.

The Hon. TONY KELLY: Enclosed permit accounts, yes.

Ms SYLVIA HALE: And the vast majority of them—7,000—are not proceeding?

The Hon. TONY KELLY: Yes.

Ms SYLVIA HALE: That still leaves something like—

The Hon. TONY KELLY: I am sorry. Some 726 of the applications we have received are not proceeding. We have received 11,873 applications out of 32,000. Of these, 4,000 have been approved and 726 are not proceeding.

Ms SYLVIA HALE: If you take 12,000 from 32,000 you get about 20,000. In other words, for the bulk of them you have had no applications. What will happen with them? They will continue to just lease that land from the department?

The Hon. TONY KELLY: I am sorry; there is another figure. Of those 11,000 enclosure permit accounts that we have received road closure applications for, 4,000 have been approved for closure. There are also 3,800 applications to purchase the land, and 2,146 of those have been approved. So there are two processes there. Your question now, though, is the difference between the 11,873 and the 32,828. So there are 20,000 there that people have not applied for yet. There are three options with that. As I said earlier, they can either apply between now and 30 June 2010—they do not have to have it completed but they have to apply prior to that date—that is, if that is not extended.

I must explain. Because there are limited resources and we were flooded with not only these applications but the 11,000 perpetual lease applications—I think all but 426 of those have been applied for—the department has been concentrating on getting those approved, dealt with and finalised first, rather than concentrating on these. So we have taken a little bit longer to process these. Those 20,000-odd road enclosure permit accounts still have three choices—indeed, there are probably more than that. They can apply before 30 June 2010, or they can continue to lease them at the \$350 a year, or they can hand them back in. So they still have three choices.

Ms SYLVIA HALE: Those concessional arrangements for leasing are due to expire, I understand.

The Hon. TONY KELLY: In 2010.

Ms SYLVIA HALE: Is the Government considering extending that concessional period?

The Hon. TONY KELLY: That would have to go through our normal budget process, and we are not there yet; we have not considered it. I would not rule it in or out. To be honest, we just have not considered it yet. Unless these lands are environmentally sensitive, they are needed by a council for some future road, or they

are needed as the only viable access for a neighbour, we would like to see them managed by the farmer. In most cases, they used to manage them anyway. They were inside their boundaries, and they used to treat them for noxious weeds, slash them, graze them, and look after them from a bushfire point of view in any case. So in a lot of these places it is really just legitimising what has been done for the last 50 years.

You would not know where a lot of these blocks of land are—they could even be in the middle of a wheat paddock. I explained to you earlier where these roads were and that they might have been through big gullies. One of the big problems that still exists in country areas to a large degree is that the councils have built the road somewhere else—quite often, they have actually built the roads on private land. Most of the councils in this State are now trying to go through and legitimise that. What they are trying to do in a lot of cases is swap the Crown road, put it where the road actually is, and give the other land back to the farmer.

Ms SYLVIA HALE: Minister, I am grateful for the benefit of your exhaustive knowledge but I would like to move on to other issues—namely, Killalea.

The Hon. TONY KELLY: I would be disappointed if you did not.

Ms SYLVIA HALE: At what stage are the negotiations up to?

The Hon. TONY KELLY: The proposed development at Killalea is an initiative of—I make this point at the start—the Killalea State Park Trust. It is one of those park trusts that I alluded to earlier. Contrary to what has been reported or stated elsewhere, no leases have been finalised—this is terribly important because nearly all the reports you see say that they have got a lease—or executed at this time and there is absolutely no intention to sell any part of the park. What I have done to date is to consent to the Killalea State Park Trust entering into a development agreement with Killalea Coastal Investments Pty Ltd [KCI]. This agreement requires Killalea Coastal Investments, firstly, to obtain development consent, a complete construction of the ecotourism facility and, finally, enter into a long-term lease with the trust for the affected 3.5 per cent of the total park area. Following a request from the developer, the Minister for Planning has decided that the proposed development will be determined under part 3A of the Environmental Planning and Assessment Act. Of course, the normal planning, administrative and legislative processes, including the community consultation phase, will apply.

From what I have seen, this is an excellent initiative of the trust. It will not compromise the social, educational or environmental values offered by the park. Instead, it will generate further tourist opportunities along the South Coast and provide additional employment opportunities for the people of the Illawarra in assisting the trust in continuing as the only trust that does not charge an entrance fee. I applaud the trust board for that initiative. In relation to Mariner Property Investments, which I think is getting to the crux of your question, now that Babcock and Brown has been placed under administration, Mariner Property Investments is the sole holding company for Killalea Coastal Investments. So rather than Killalea Coastal Investments—the company we are dealing with—being in partnership with Babcock and Brown and Mariner Property Investments, Mariner Property Investments is now the sole holding company of Killalea Coastal Investments.

A recent report in the *Lakes Times* of 3 September suggested that that Mariner Property Investments is proposing to sell its shares to a third party. Such a transfer constitutes an assignment under the development agreement and, accordingly, can only proceed if Mariner Property Investments retains the controlling interest in Killalea Coastal Investments. Even if such transfer goes ahead, it will not affect the title to the land, which some people continue to falsely suggest will be privatised. In the meantime, the trust board has met to discuss Mariner Property Investments' lack of consultation and its recent statement regarding a sale to a third party. I understand that the trust will now seek further advice from its project manager and its lawyers, Blake Dawson Waldron.

Ms SYLVIA HALE: Can I take it that if Mariner Property Investments as an entity is on sold to another party that party would then be, in effect, the owner of Killalea Coastal Investments?

The Hon. TONY KELLY: No, I am not sure that—

Ms SYLVIA HALE: What I am saying is if Mariner Property Investments is sold in its entirety to another—a third party—then that third party would in fact be the owner.

The Hon. TONY KELLY: Yes, I am advised that would be right. But they would only have the same rights as the current developer.

Ms SYLVIA HALE: Their sole asset in some ways might be only this agreement.

The Hon. TONY KELLY: Yes, the agreement to develop it.

Ms SYLVIA HALE: Under the terms of that agreement to lease, you are saying that that sort of assignment can take place. Given that you might be dealing with a third party who has totally different intentions in relation to Killalea State Park, how will that affect your relationship with Killalea Coastal Investments?

The Hon. TONY KELLY: The Director General might have some comments on that.

Mr WATKINS: To build on what the Minister has said, the issue here is that Killalea Coastal Investments and Mariner Property Investments cannot dispose of their total interests in that without the trust's knowledge. We are seeking legal advice at the moment—or the trust is seeking legal advice—that should Mariner Property Investments, through its interests and now single interest in Killalea Coastal Investments, pass that on would it constitute the capacity to make null and void the agreement that the trust holds with the current party. So there are a number of paths that this could take and it would be pre-emptive at this stage, given the legal advice, to postulate about which one might indeed occur.

Ms SYLVIA HALE: When do you expect to receive that legal advice?

Mr WATKINS: There is no time frame but, given the nature of the issue, I would anticipate that the trust—which is the contractual party at this stage—would have that advice within a matter of weeks.

Ms SYLVIA HALE: I realise there are problems regarding legal advice and the need to maintain it as confidential, but will any public announcement be made to indicate what is likely to happen in relation to the development of Killalea?

Mr WATKINS: I think Killalea has got a lot of public interest, as we know—everywhere from the *Illawarra Mercury* through to the general public. The moment the trust is in a position to make an announcement I am sure it will become very public. There is no intention, from my understanding of the trust—and certainly no intention on the part of the department—to do anything else other than to achieve the best outcome in this area for the public generally.

Ms SYLVIA HALE: Minister, if it transpires that in fact the deed of agreement is null and void, given that I suppose for the first time since the late 1960s and early 1970s we have green bans in place—we have one at Union Square in Pyrmont, another one at Graythwaite over at North Sydney, and of course the South Coast Labor Council has imposed a green ban on Killalea—will you persist with trying to lease out Killalea State Park?

The Hon. TONY KELLY: The trust would have to consider its position. As I have said, it has attempted to get some finance to continue to operate without charging a fee, unlike any other recreation area trust in the State—all the others charge an entrance fee; they have boom gates. It has tried to resist that particularly because of the beach. I must put on record that one of the big advantages of the particular process the trust has is that it got something in the order of \$600,000 from Mariner Property Investments and Babcock and Brown that went towards building a roadway down to the beach.

People now do not have to scramble down the hill and people who are not as mobile are now able to get down there. There is parking down there and there is a roadway down there. They have some other advantages as well; they have already got some advantages from it. I would expect that, even if the current lease goes ahead, it would not be in the form of the original proposal. That is just my expectation. I think the Department of Planning indicated that to start with—that it wants to reduce the scale of it. My expectation would be that there would be a reduced scale. It would be up to the trust to negotiate with whoever comes on board on whatever proposal comes forward, and that proposal may well be acceptable to the Labor Council of the South Coast.

Ms SYLVIA HALE: Minister, do you not think it is time to cut your losses? Clearly, it is an ongoing source of disquiet in the community.

The Hon. TONY KELLY: Every other recreation area in the State has facilities for the public to be able to go and enjoy. At those recreation areas they can camp, they can stay in caravans or they can stay in cabins. At Killalea they cannot do that. People can go and camp and there are some lodgings for school kids, and that is it.

Ms SYLVIA HALE: Many people would say that is enough.

The Hon. TONY KELLY: Some people might, but there are other people with families, young kids, who perhaps would like to have something a bit better, like small cabins and so forth. I know there were some proposals for some very luxurious apartments but there were also three different types of accommodation where normal families, not as wealthy as you and I, would have been able to pay cheap rent and stay.

Ms SYLVIA HALE: I think you all have a death wish.

The Hon. AMANDA FAZIO: Order! Ms Hale, you are here to ask questions, not to cast aspersions. Your time has expired. We will now go to Government members for questions.

The Hon. MICHAEL VEITCH: Minister, earlier you referred to a map. Did you say you were going to table it?

The Hon. TONY KELLY: I do want to table it. I cannot incorporate it in *Hansard* because it is difficult to produce a map in *Hansard*. Am I entitled to table it?

CHAIR: Yes.

Document tabled.

The Hon. TONY KELLY: Bear in mind that if you put the map up on the wall it will show a lot more.

The Hon. GREG PEARCE: Would you like to autograph it?

The Hon. AMANDA FAZIO: Order! It is not time for questions from the Opposition.

The Hon. MICHAEL VEITCH: Minister, you talked about how the Department of Lands is involved in tourism initiatives. Could you tell the Committee about the latest action that has been taken to develop tourism opportunities in New South Wales?

The Hon. TONY KELLY: I am particularly interested in tourism aspects and recreation in the State on Crown land. It is part of the State Plan that we try to better use our recreation reserves and our Crown land. One particular area of the State, a legacy of our State's development, is the rail network, which for many years was the lifeblood of our regional community. Only yesterday I had a very western council come in to talk to me about some unused rail land. They said the closest train gets within, I think, 170 kilometres and there has not been a train in the area for 50 years. Today there are something like 3,000 kilometres of non-operational rail lines across New South Wales where services ceased over 30 years ago. These disused corridors are owned by the Rail Infrastructure Corporation of New South Wales.

The Rail Infrastructure Corporation maintains these corridors, eliminating weeds, excess vegetation and pests, repairing boundary fences and railway underbridges and conducting annual inspections. None of these corridors has officially been closed. Of course, that requires an Act of Parliament, even though technically 30 years ago the railway lines might have been taken away. This particular council told me that there are no railway lines in existence anywhere near their town because gradually over the last 40 or 50 years people have taken little bits and pieces for fence posts. Despite that, none of these corridors has officially been closed. As I said, it requires an Act of Parliament.

The Government is getting behind local communities that want to revitalise these corridors for tourism and recreation. We are going to introduce legislation to prevent the transfer of a small number of disused rail corridors for recreational use as rail trails. I might add, as far as I know, there is no proposal whatsoever for any in the metropolitan area. In fact, I do not know of any this side of the sandstone curtain. The Transport Administration Act 1988 will be amended to allow the transfer of rail corridors from the Rail Infrastructure Corporation to the Land and Property Management Authority, which comes under the Department of Lands. A

rail trail is a pathway, a cycleway, a multiuse access way located within or closely parallel to an active or disused rail corridor. There is increasing interest from the community, especially in rural and regional areas, to use these disused rail corridors for recreational purposes.

In recent years, community proponents of rail trails have approached the Ministry of Transport, the Department of Lands, and the Department of State and Regional Development with a view to progressing the development of these proposals. The transferred lands will form an integral part of the Crown recreation reserve corridor, which utilises the extensive network of Crown road corridors, travelling stock routes and existing Crown reserve land, including walking tracks. Three walking tracks that come to mind particularly are the Great North Walk, which goes basically from here to Pokolbin, the Hume and Hovell walking track, which is a 250-kilometre track that goes to Albury, and the Six Foot Track in the Blue Mountains. They are equivalent areas, but for walking only.

Rail trails are used extensively in every other State, but New South Wales. We are the only State that does not have them. In one particular area in northern Victoria, it cost them originally about \$1 million to develop 110 kilometres of rail trail and they now get \$4 million to \$5 million in tourist income every year. People can ride pushbikes or walk on that trail and a considerable number of people use those little gophers. I have never seen any horses. I think horses are restricted. It is great recreation for the people involved and it is great tourism for the towns.

There are about eight proposals for development of rail trails across New South Wales, including the Riverina Highlands rail trail, Molongo Valley, Cowra to Eugowra, Molong to Yeoval, Goulburn to Crookwell, Culcairn to Corowa, Monaro and Dubbo. The one that Wagga Wagga City Council has been pushing for a long time would go from Wagga Wagga city to Forest Hill or Ladysmith, which is where the airport is. There are 2,000 people who live in Forest Hill and they ride pushbikes up the highway. Already a cyclist has been killed on that highway. Wagga Wagga City Council would like to see a rail trail on that disused rail corridor. The council received a Federal Government grant some years ago to fully investigate it. It has spent about \$200,000 on that already. They are very keen.

That is what we are trying to do. We are not trying to get hold of rail corridors and sell them off. In fact, the legislation specifically excludes from sale any land that is transferred to the Department of Lands as Crown land for these rail trails. If the Department of Transport ever wants them back, they must automatically be given over. There will be stringent controls in the legislation. In all, there are about 600 kilometres of potential recreation trails. These disused rail corridors will provide multiple benefits for community purposes, including economic and commercial benefits along the railway line and improved appreciation of the heritage value of disused rail lines and infrastructure. In Tumut, it is proposed that a lot of the disused rail buildings will be repaired historically.

The Hon. MICHAEL VEITCH: Railway stations?

The Hon. TONY KELLY: Yes, railway stations. They will be able to be used as coffee shops or craft shops—that sort of thing. They will also provide public health benefits, such as toilet facilities. I make the point that one of the reasons why rail trails are best suited for this purpose is that the gradients are not very high. People riding pushbikes do not particularly want to go up the biggest hills. They want easy gradients. That is why all the other States have used rail corridors.

As I said, they will be mainly under the Crown land plans of management. There probably will be reserve trusts appointed, which could be a council or a group of local volunteers. The Department of Lands has a long history in managing various types of trails, such as the ones I mentioned earlier and particularly those Crown reserves around urban areas. It is proposed that those disused rail corridors would be transferred to the Land and Property Management Authority for reservation under the Crown Lands Act on a case-by-case basis. There is not any proposal for wholesale movement. Even with the Wagga Wagga one, only part may be moved across rather than the whole lot.

The old Wagga Wagga to Tumbarumba branch line operated from 1917 to 1974. It is 129 kilometres long. The Wagga Wagga to Forest Hill and Ladysmith to Tumbarumba sections will be among the first rail trails in New South Wales. For the interest of members, these sections are 7 and 20 kilometres respectively. The rail trail passes through a number of small towns where relics of the old switches signalling systems can be found. Classic railway buildings still exist such as the train station at Ladysmith, which was recently restored to its former glory.

The corridors follow gentle gradings and embankments and are vehicle-free, great for cyclists and safe for children. That is another thing I should point out: an enormous number of families take their children on these rail trails in other States. Unfortunately, we have been very slow in this State in this regard and I hope this legislation will enable us to provide this sort of recreation so that the hundreds and thousands of people who go from this State into Victoria to spend money on their rail trails will be able to do it in this State.

The Hon. GREG DONNELLY: That is a magnificent announcement about the rail trails, but I predict that within 24 hours we will have a media release from the Greens, probably from Sylvia Hale, condemning the Government for some aspect of the proposal. My question is in regard to the announcement of the Hungry Mile. Can you update the Committee on how the Government commemorates important historical locations like the Hungry Mile?

The Hon. TONY KELLY: The Hungry Mile is a locality at Barangaroo in the City of Sydney. When I mentioned earlier to the Hon. Greg Pearce about the 19 different things that the Department of Lands has I neglected to mention the Geographical Names Board. It was very of poor me not to mention that board given that I actually worked for the Department of Lands when Clive Joachim became the very first Secretary of the Geographical Names Board. He used to work with me in the Transfer Branch. The Geographical Names Board has the responsibility of naming all the places in New South Wales, including Harbord and Freshwater, which were recently named.

A meeting in July that the Premier and I had with Lord Mayor Clover Moore and Paddy Crumlin, the National Secretary of the Maritime Union of Australia, was the final step in the journey to officially name the Hungry Mile, and by doing so honour the men and women who struggled and suffered in the Great Depression of the 1930s. All sections of the community use place names to describe where they live, how to get somewhere or where they have been. Natural features such as mountains, rivers and beaches are all known and described by a name, and so are our suburbs, cities and towns. For example, around Sydney Harbour we have dual names: we recently announced Aboriginal names around Sydney Harbour as dual names. A couple of years ago I was fortunate to be able to announce the naming of the locality of Vinegar Hill, where the Irish rebellion of 1804 took place.

These names provide the community with a sense of place and tell the story of where we have come from as a society. It is the job of the Geographical Names Board to assign names to places and geographical features in our State. It also plays a critical role in ensuring a formal authority for names and features. The board ensures that the details of maps, databases and directories are correct and use officially recognised placenames. This precision helps our ambulances and fire engines to reach a destination directly and quickly. The Geographical Names Board's definition of boundaries helps Australia Post to assign postcodes and deliver our mail.

The Geographical Names Board was founded in 1966, with Clive Joachim as Secretary, as I said. But its work is far from done. I have a long history with the Department of Lands. I think Clive went on to work for the Legislative Council. In the financial year just past, the Geographical Names Board formally assigned 157 suburb names and ticked off over 2,400 new road names. All the geographical names are recorded in the Geographical Names Register, which is maintained by the board's staff. The register has location details of more than 80,000 names and includes their origin, history and meaning, where available.

Discontinued names are also retained in the register—an important reference for cartographers, researchers, publishers, government authorities as well as the public. Many of these names are commemorative, assigned in honour of persons who have served with distinction or left their mark in some way, as is the case with Hungry Mile. With all Geographical Names Board initiatives there is priority given to community input, giving everyone a say in a naming decision. A recent example of a commemorative name is MacCabe Corner, which was named last year in honour of the colonial surveyor Francis MacCabe, who conducted the first surveys in the far south-west of our State where borders with Victoria and South Australia. MacCabe made a great contribution to the mapping of the border by linking a survey of the Murray River to other State border surveys.

In 2006 the Black-Allan Line between New South Wales and Victoria was formally named—more than 130 years after it was first surveyed but never named. It is the straight line on the border between Victoria and New South Wales on the eastern seaboard. It was originally marked by a camp of stones that was relocated from time to time by abalone fishermen; because they paid a much higher licence fee in one State than they paid in

the other, they just shifted the State border. That 180-kilometre stretch of the State border from Cape Howe to the springs at the headwaters of the Murray River have never formally been proclaimed by either State. The name Black-Allan Line honours the remarkable nineteenth century surveyors who faced the unknown and difficult terrain to get the job done.

The Geographical Names Board also recognises the contribution made by new Australians and seeks to reflect cultural diversity. Recently a reserve in South Hurstville was named to honour a sister-city relationship between Kogarah and Manshun in China. The Hungry Mile is the name maritime workers gave to the mile of wharves between Darling Harbour and Millers Point. The area was known as Millers Point but in 2006, as part of urban renewal plans, the Government reviewed the name. A public competition was held to come up with an appropriate name. The Maritime Union of Australia campaigned to renew the Hungry Mile name as an acknowledgement of the site's historical significance to waterside workers. But the name Barangaroo was selected for the new suburb and officially gazetted in 2007.

The name honours Barangaroo, an important indigenous woman from Sydney's early history who was a powerful and colourful figure in the colonisation of Australia. In May 2008 the City of Sydney Council put forward a proposal to recognise the Hungry Mile as an urban place. This was supported by the Maritime Union of Australia and the Sydney Harbour Foreshore Authority. As always, the Geographical Names Board gave the public an opportunity to have their say, and the response was very positive. At the ceremony in July, the Hungry Mile was recognised as an urban place within the suburb of Barangaroo. An urban place does not have exact geographical boundaries like a suburb does; it is a location with a defined identity, such as Darling Harbour, Kings Cross, Broadway and Queens Square, which is just a few steps from Parliament House.

The recognition of the Hungry Mile means the name will live forever and the struggles of those maritime workers will be remembered. I thank all those parties involved: the Maritime Union of Australia particularly, the Sydney Harbour Foreshore Authority, the City of Sydney Council and the people of Sydney. The council has erected street signage, and I believe there are plans to note the historical significance of the Hungry Mile with a plaque and a statue.

CHAIR: Any more questions?

The Hon. GREG PEARCE: One more question.

CHAIR: No, this is Government time. Is your question in relation to one of the questions you asked?

The Hon. GREG PEARCE: Yes.

CHAIR: You can put it on notice.

The Hon. GREG PEARCE: I just wanted to know what the split-up was at the time between Police, Rural Affairs and Lands when you—

CHAIR: Order! That question is out of order because the time for this session has expired. This session was due to conclude at 10.15 and it is now past that time. Minister and officials, I thank you for attending today.

(The witnesses withdrew)

The Committee proceeded to deliberate.
