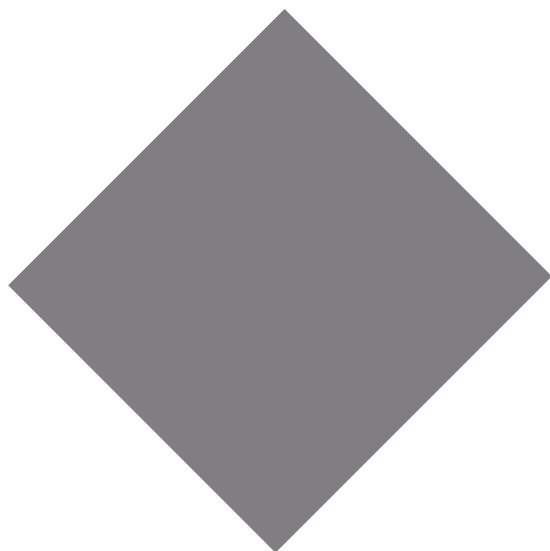




Department of Lands

Reliable from the ground up



**DEPARTMENT OF LANDS
ANNUAL REPORT 2004/2005**

Including
Board of Surveying and Spatial Information



Department of Lands

*Land Administration & Management
Property & Spatial Information*

The Department of Lands

Land and Property
Information Division

LPI Division
Financial Statements

Crown Lands
Division

Soil Conservation
Service

Office of Rural
Affairs

The Department of Lands
Financial Statements

BOSSI

BOSSI
Financial Statements

Appendices

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Minister for Justice,
Minister for Juvenile Justice,
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Dear Minister

I am pleased to submit the Department of Lands (Lands) Annual Report for the year ending 30 June 2005 for your information and presentation to Parliament.

This report has been prepared in accordance with the Annual Reports (Departments) Act 1985, the Annual Reports (Statutory Bodies) Act 1984 and the Public Finance and Audit Act 1983.

This publication has been prepared to include the reports from all administrative areas of the Department and the annual report of the Board of Surveying and Spatial Information of NSW.

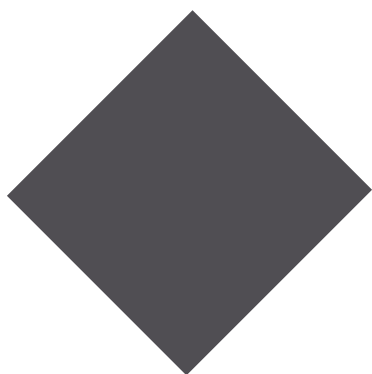
I commend this report to you.

Yours sincerely

Warwick Watkins

Director General





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The Director General's Foreword

This Report showcases our commitment to the development of knowledge resources and extended performance reporting, with the publication of the first Intellectual Capital Statement for the Department of Lands. We sought to identify, value and demonstrate the Knowledge Capital within the Department to ensure the sustainability of the Departments' services to the community.

The Department of Lands is the steward for land and property information, spatial information and the Crown lands of NSW. We are accountable for the policy and strategic development of these areas. We take seriously our role as trustee for the current and future generations, the management and care of the Crown Land estate, the information relating to the titling, valuation, surveying and mapping of land and property and the cadastral and spatial data infrastructure for NSW. Through our soil and environment services we undertake important conservation and management of our natural resources.

We focus on people, programs and performance of the Department to contribute to and build an organisation to enhance the social, economic and environmental sustainability of NSW, its people, communities and future.

We are striving for the triple bottom line outcomes - economic, environmental and social and will seek to achieve a quadruple bottom line where capacity building and organisational knowledge, staff health and development are equally valued.

Land Property Information Division (LPI) continued to focus on the development of online service delivery to clients.

LPI is progressing a national approach to electronic conveyancing and is working closely with Victoria and the other State and Territory jurisdictions to implement a national solution. Late in 2004 Lands entered into an agreement with its counterpart in Victoria on the principles to be applied in developing a roadmap to a National Electronic Conveyancing System.

The Water Access Licence Register (WAL) commenced in July 2004 and provides for the registration of transactions affecting a Water Access Licence. The Register will eventually hold all Water Access Licences issued in NSW.

The WAL Register currently holds over 9000 licences and is continually expanding with the receipt of new licence data from the Department of Infrastructure, Planning and Natural Resources (DIPNR).

In May 2005 LPI commenced the creation a Single Land Cadastre. This follows the signing of a Memorandum of

Understanding (MoU) between the Department of Lands and Sydney Water Corporation to combine the cadastral of both organisations into a single authoritative cadastral dataset.

The Emergency Information Co-ordination Unit (EICU) established the largest spatial data library ever assembled for emergency management purposes in Australia. The NSW Spatial Information Library for Emergency Management and Critical Infrastructure enables spatial information to be shared amongst and delivered to emergency services organisations and the State Emergency Operations Committee.

The Land Valuation program was completed successfully, with 47 local council areas across the State revalued by valuation contractors, resulting in the issue of 648,731 general notices of valuation to property owners in these local government areas.

Crown Lands Division responding to customer feedback and government service delivery objectives, embarked on an extensive external review of Crown land management. In response to the findings of that review, the Government introduced important changes to the management of Crown land with effect from 1 July 2004 through the *Crown Land Legislation Amendment (Budget) Act 2004* which amends the *Crown Lands Act 1989* and the *Crown Lands (Continued Tenures) Act 1989*.

The purpose of the reforms is to streamline administration and to achieve a fair and equitable return on the Crown land assets of the State. These reforms also provide an opportunity for perpetual leaseholders to make an application to convert their leases to freehold, subject to certain conditions.

The reforms will affect approximately 11,000 Perpetual Leases, ranging from small suburban blocks to large agricultural leases with significant environmental values, as well as a complex Crown road system, which includes approximately 45,000 roads covered by Enclosure Permits.

Soil Services Division continued its very important work, particularly in rural NSW and achieved recognition for the organisation's skills and commitment to regional communities in winning two major construction awards for environmental excellence for construction and project management of the Tingha Sewerage Scheme pond system in North-Western NSW. The Civil Contractor Federation, "Case" Earth Awards category 1 - Environmental Excellence (project value up to 2 million) and the NSW Department of Environment and Conservation Sustainable Construction Award were won for this project at a former derelict tin mining site.

The Office of Rural Affairs continued to work with the community and with other government agencies to identify issues and provide advice and assistance on matters impacting on rural communities. The Office of Rural Affairs reinforces a focus on the social, economic and environmental well being and prosperity of the rural areas of NSW, its people, communities and future.

The year has been one of consolidation and significant achievement for Lands and we will continue to respond to the challenges of the future through innovation, sharing our knowledge and leading by example to build sustainable outcomes for the people of NSW.

Finally, I would like to thank the skilled and dedicated management and staff for their continued commitment and contribution to quality client service. The Department of Lands could not sustain its high levels of service and commitment to the community of New South Wales without its dedicated, experienced staff.

I look forward to the challenging and rewarding year we have ahead of us.



Warwick Watkins
Director General
Registrar General
Surveyor General

Department of Lands

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Intellectual Capital Statement

Department of Lands Fast Facts

The Department

- Recreated in 2003, the Department of Lands has a long history and was originally established in 1856.

Our Functions

- The Department is comprised of:
 - o three business operational divisions - Land and Property Information, Crown lands and the Soil Conservation Service;
 - o the Office of Rural Affairs, which provides support to the Regional Community Consultative Committee and advice to government and
 - o internal corporate support areas, including Financial Services, Management Services, the People and Performance Development Group, Legal Services, Corporate Governance, Information Communications and Technology and the Communication Solutions Group.
- Lands also provides administrative support to the Board of Surveying and Spatial Information and the Geographical Names Board.

Our Employees

- We have 1,427 staff.
- The average age of our staff is 45 years.
- 36.4 % of our staff are women.
- 15.3 % of staff identify as being of Non English Speaking Background (NESB)

Service Delivery

- We encourage online service delivery; providing access to our information resources wherever our clients are located.
- Lands also provides 'over the counter' services at 54 metropolitan and regional locations around the State.

External Relations

- Lands provides grants and other research funding relating to areas such as spatial information, marine cadastre administration and intellectual capital reporting frameworks.
- Lands maintains customer liaison groups which provide a regular forum for exchange of information between the department and professionals involved in the property conveyancing sector.

- The Emergency Information Co-ordination Unit facilitates a collaborative data sharing system on behalf of Emergency Service Organisations.
- Lands chairs several Interdepartmental Committees concerning multi-agency policy matters including availability of public burial space and spatial information.
- Lands is a shareholder in PSMA (Public Sector Mapping Agencies) Australia Limited an unlisted public company limited by shares and owned by the state, territory and Commonwealth governments of Australia which acts as a clearing house for national datasets of spatial information.
- Lands is involved in cross-government and national initiatives such as the CRC for Spatial Information, the Australian Government Consultative Committee on Knowledge Capital and the National E-Conveyancing project.

Finances

- Lands is funded primarily through revenues it generates from product and service sales to its customers (\$158.7 million (71%), State Government funding to meet the costs of Crown Land administration and policy development (\$45.4 million (20%)) and grants (\$13.3 million (6%).
- In terms of expenditure \$88.3 million (51%) is used to meet employee related expenses, \$56.6 million (33%) is expended on other operating expenses with \$14.5 million (8%) being paid in grants and subsidies. Depreciation costs of the department amount to \$12 million.
- In 2004/05, the department also generated revenue of \$115 million from Crown leases and licences and sales of Crown land. This revenue is not retained by the Department but is paid to the Crown Entity within the Consolidated Fund.

Innovation

- Lands has been involved in 6 research and development projects with Australian Universities.
- We encourage teamwork and learning, nurturing an innovative internal organisational environment.
- We also provide leadership in spatial information, environmental soils management and the management of public land assets.

Public Value

- Lands maintains several public land information registers, providing reliable information which underpins conveyancing and local government rating processes and, as a consequence, the economic fabric of the State.

- Through the management of Crown lands, we provide community facilities and land and water based coastal and estuary assets to meet a diverse range of industry, community and environmental needs.
- Our extensive experience in integrated soil and water resource conservation is utilised to ensure sustainable management of our natural resources and productive capacity of our land including the protection of public and private assets.

Extended performance reporting

During the 2004 - 2005 reporting period the Department of Lands has continued to build upon research work undertaken in the 2003 - 2004 financial reporting year in relation to Intellectual Capital Reporting.

Traditionally, like many organisations, our reporting processes have focused on the financial aspects of our business. We acknowledge that changes in reporting are occurring in the private sector, particularly in relation to intangible assets, and recognise that this style of reporting brings added value to the way in which we manage and plan for the future.

To this end the Department of Lands, together with the assistance of a team of researchers led by Professor James Guthrie, of the University of Sydney, has adapted a framework for extended performance reporting.

The Department is also participating in a wider program initiated by the Australian Government Consultative Committee on Knowledge Capital, which will enable the Department to share its experiences and to learn from other organisations involved in similar projects within Australia and internationally.

What is intellectual capital?

Intellectual capital been defined by Thomas Stewart as 'the sum of everything everybody in an organization knows that gives it a competitive edge...Intellectual Capital is intellectual material, knowledge, experience, intellectual property, information...that can be put to use to create wealth.' (or value).

Intellectual capital is described as having three aspects:

Human capital - the knowledge, motivation, abilities and skills of the employees with the organisation.

External capital - also generally known as relational capital, which reflects the value of external relationships with the Department. Typically this would include stakeholders, customers, suppliers and other government and non-government agencies.

Internal capital - knowledge which has become embedded in the organisational structure such as

commonly held values, culture, processes, digital data systems, policies, procedures and organisational structures. The value of internal relationships between employees and with management is also relevant to this aspect.

This framework is used as a diagnostic tool to examine intellectual capital management, measurement and reporting practices within Lands. The advantage of this model is that it assists in establishing a link between intellectual capital and value creation. The emphasis in this process is not in establishing a stock value for intellectual capital, but in understanding the process of creation and the development of organisational and social value.

Intellectual capital is acknowledged as a vital asset in the creation and maintenance of a sustainable competitive advantage. In the public sector context, intellectual capital may also be viewed as essential to innovation and public value creation.

The identification, measurement and management of intellectual capital is key to ensuring that knowledge applied to value creation is captured, utilised and renewed for the best advantage of the organisation, its employees and the government and community we serve.

Why have an intellectual capital statement?

An intellectual capital statement offers an objective image of the intangible resources of the Department of Lands. It provides greater transparency by providing balanced disclosure of information relating to our internal, external and human capital and benefits internal management processes by providing information on how to improve the decision making process.

Internally, managers need to know which activities to encourage and what investments to make in intellectual capital or intangible assets which will further improve overall organisational performance in the future. To concentrate only upon fiscal measures may cause managers to miss out on critical information important to current and future performance.

By measuring and reporting upon non-financial aspects of the agency, which may have been overlooked in traditional reporting frameworks, we hope to provide a clearer more balanced view of our organizations strategies, challenges and general performance. In particular we hope to demonstrate that our intangible resources are essential assets, requiring investment and development to ensure that we can continue to deliver quality products and services in the future.

Through managing, measuring and reporting upon intangible resources we envision a more innovative, more productive Department capable of effectively utilising all

available resources in delivering services to the people of New South Wales.

The intellectual capital statement provides a form of extended performance reporting. This reporting process not only balances the financial and non-financial information available to the public, but also seeks to provide balance to a broader range of information relevant to our decision-making processes - both in the short and the long term.

Department of Lands Intellectual Capital Statement

This is the first intellectual capital statement of the Department of Lands. This statement provides the baseline from which we will continue to refine and improve our reporting ability. It is anticipated that future reports will demonstrate changes in the indicators and objectives as we improve the reporting framework, develop more refined or 'mature' performance indicators and respond to changes in our organisational environment.

The Department of Lands has adopted an extended reporting framework based on research undertaken by Professor James Guthrie and his team, with input from our management and staff. An overview of the framework is provided in the diagram below. This diagram also reflects the structure of our first Intellectual Capital Statement, which integrates our Strategic Orientation, Managerial Efforts and Performance Results.

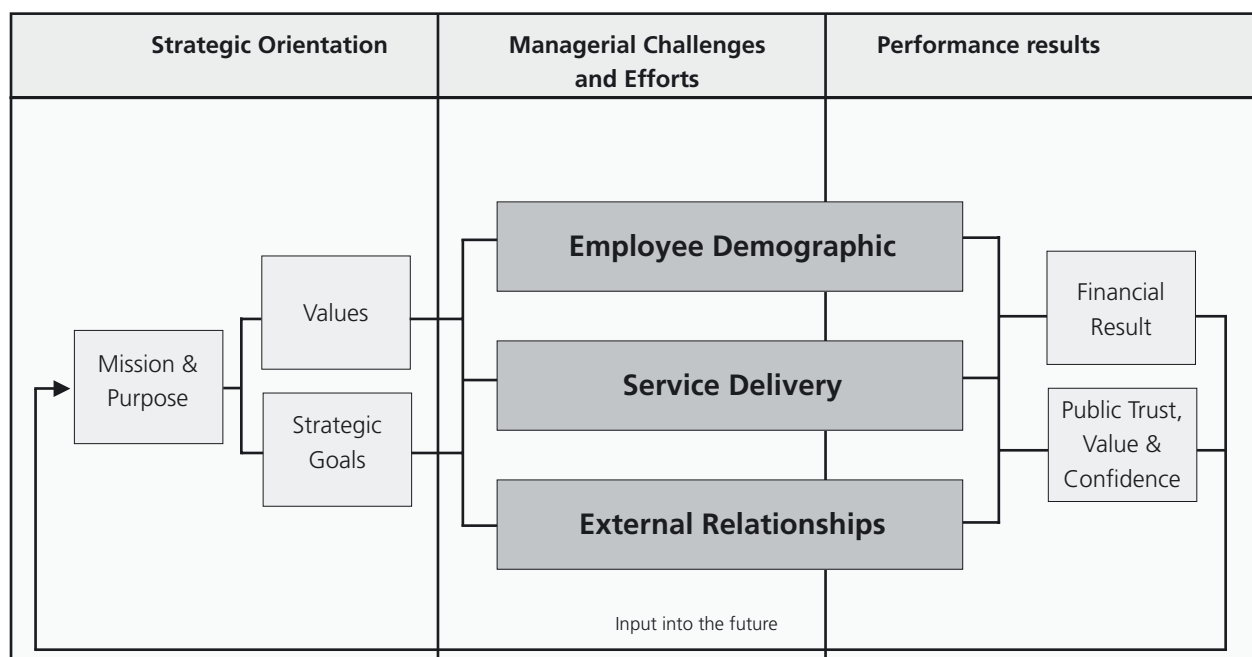
Strategic Orientation

The Department of Lands provides a variety of land administration and land management products and services. These include land ownership information, surveying and mapping, land valuation services, stewardship and development of Crown lands and soil, water and environmental conservation works and consultancy services. Our products and services underpin the economic well being of the State of New South Wales by providing sound, accurate land information, which assists in generating economic growth and investment in New South Wales, and in informing planning, policy development and decision making across the public sector.

The Office of Rural Affairs has a special role, contributing to the development of rural and regional policy development.

Our skilled and experienced staff, robust information technology and communication systems and efficient and effective internal processes enable provision of timely, quality products and services to the public. These capabilities are enabled by our corporate service areas, which provide services to our business divisions, presenting integrated solutions, which derive whole of agency benefits.

Figure 1 - Lands Intellectual Capital Framework



Our Purpose

To provide quality, timely and reliable geospatial information, and land management products and services based on client needs.

Our Values

Customer Service
We are committed to identifying customer needs and providing excellent products and services to clients in all locations.

Accountability
We provide our services in accordance with government and community expectations and manage government finances with strict probity to achieve value for money.

Innovation
We seek to develop innovative strategies and solutions to provide customer services and meet government needs

Respect
We treat all people with dignity, respect and fairness, acknowledging the different value systems which exist within our multicultural society.

Integrity
We behave with integrity and in the public interest when using Departmental resources, managing business and personal information and conducting business transactions.

Teamwork
We encourage a team approach to work, learning and problem solving.

Leadership
We are committed to providing leadership to the community and the public sector in areas of geospatial information and land management, and at all levels across the organization.

Strategic Goals

Promote the development and adoption of a comprehensive spatial data infrastructure and a 'one land cadastre' policy across New South Wales.

Promote our expertise in soil, water and environmental conservation for the benefit of publicly and privately held lands

Engaging in legislative and business reform to enhance the stewardship and development of Crown lands in New South Wales

Implement innovative business solutions, which promote and encourage the effective and efficient management of public and private resources.

Encourage strategic partnerships and alliances across the public and private sectors.

Review internal processes with the view to improving productivity and capturing explicit organisational knowledge.

Engage information technology and communication solutions that deliver improved, customer-focused service delivery options.

Create a 'learning organisation' environment, which supports and encourages the development of knowledge and skills.

The provision of efficient, effective and appropriate, quality products and services to the people of New South Wales

Articulate and demonstrate the public value created by the Department of Lands.

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Management Challenges

As a result of investigation and review undertaken in the past year a number of managerial challenges were identified which are aligned with the elements of intellectual capital. These challenges are summarised as follows:

Employee Demographics (Human Capital)

- identifying, sharing and retaining knowledge; employee attitudes and motivations; learning and development and innovation.

Service Delivery (Internal Capital) - developing cross functional processes; agile organizational structures; integrated information technology systems and a dynamic knowledge culture; and

External Relationships (External Capital)

- improving relationships with the community, other agencies and organisations; multi-channel distribution strategies; customer focus and responsiveness and our corporate image and identity.

These management efforts have been encapsulated in a simplified model, represented diagrammatically at Figure 2 below.

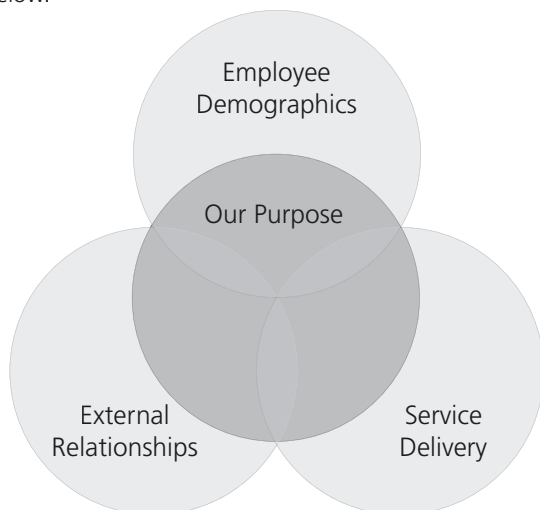


Figure 2

The central circle reflects the Departmental purpose. This purpose is achieved by responding to three significant management challenges indicated in the interlinking spheres. These challenges require long term planning, extending beyond the budget cycle, to ensure that the organisation's future capacity and capability are developed. Further, the sustainability of the organisation depends on meeting these challenges and preparing our organisation to meet the challenges ahead. It is our obligation to plan, prepare and invest now to ensure that we can continue to meet the service delivery requirements of the future.

Performance Results

In this first Lands Intellectual Capital Statement we seek to report on the three areas of managerial effort - employee demographics, service delivery and the management of external relationships. As indicated earlier, it is our intention that, over time, these indicators will change to reflect our improved understanding of these areas of management focus.

Innovation, public trust, value and confidence and the significance of financial results are also key reporting criteria. In the case of innovation public trust, value and confidence these issues are addressed briefly later in this Intellectual Capital Statement. The financial results are outlined later in the Annual Report.

Employee demographics

Employee Demographics	02/03	03/04	04/05	Desirable trend
Number of full time equivalent employees as at 30 June	1458	1441	1427	→
Average age of employees	-	-	45	↘
Learning and Development - External Courses - no. of staff attending	-	246		↗
Learning and Development - Internal Courses - no. of staff attending	-	462		↗
% of staff who identify as being of NESB*	15.3	15.7	15.3	↗
Women as a % of total staff as at 30 June* * further information about trends in EEO groups can be found in the Annual Report appendices	34.8	35	36.4	↗

Like many public sector organizations we are seeking to address the changing demographics of our workforce. The average age of a Department of Lands employee is 45 years of age. Over the next 5 - 10 years we anticipate that approximately 44 % of our staff will be eligible for retirement.

We are fortunate that many members of our staff and management have remained with the organization for decades. This longevity of service has contributed to the development of a huge resource of knowledge, expertise and skills within the Department. Reflecting a more traditional model of employment many staff members began as cadets or juniors within the organization. While many undertook complementary tertiary studies to obtain technical or professional qualifications in recent years learning and development has occurred largely within the workplace, through the transfer of knowledge from older members of staff in an apprenticeship style of work relationship. Staff members also took the opportunity to undertake further external studies while they continued to work for the organization, returning to apply their learning in the workplace.



While these forms of learning and development remain relevant in the modern workplace, the pressures of time, available resources and professional development needs of staff, new opportunities are being trialled. For example, two areas within the Department of Lands have developed Certificate III courses in partnership with TAFE NSW to provide training relevant to workplace skills requirements as well as a recognized educational qualification.

Like many organisations, explicit organizational knowledge has been captured in databases, manuals, procedures, guidelines and policies. Systems have already

been developed with input from our staff to record and support the development of efficient, quality processes to support typical business transactions.

However, the tacit knowledge of our workforce - the know-who, know-how, know-why, know-where - the informal networks, recollections and experiences that enable our staff to respond to more complicated issues is more difficult to transfer. One solution involved a retiring staff member conducting a series of internal seminars or lectures to present an overview of his work and experiences and for questions and answers about particular issues. Other options are also being explored include support networks, mentoring arrangements and training programs.

Service Delivery

Service Delivery	02/03	03/04	04/05	Desirable trend
Average number (monthly) internet feedback requests (based on 9 months of records)	-	-	285	
Average number (monthly) hits on Lands web site	-	-	1,848,046	

Technology has brought about a number of changes in the way we deliver services. We provide a growing range of information products and service online as we seek to provide equity of service delivery across the State.

The demand for continuous, integrated, quality service delivery requires us to think 'smarter' about our internal processes and to use available technology and communication solutions to deliver cost effective and equitable services to our clientele wherever they are located. However we continue to maintain 'shop fronts' providing 'over the counter' services in 54 offices in metropolitan and regional locations around the State.



The adoption of marketing tools and the development of client profiles have assisted Lands in improving service delivery opportunities across the State.

Improved client relationships and service delivery outcomes are underpinned by the adoption of quality management methodologies, which ensure that feedback from clients is integrated into improving systems and delivery mechanisms.

The monthly hits on the website reflects a rapid increase in the usage of the Lands Internet site over the reporting year. To better utilise the website data feedback, we recognise a need to capture more detailed information to assist us improving access to information.

Further information concerning electronic service delivery initiatives and Land and Property Information dealing and plan lodgments are available later in this Annual Report.

External Relationships

External Relationships	02/03	03/04	04/05	Desirable trend
Number of significant committees and statutory bodies involving Lands representatives	40	32	35	
Research partnerships	2	2	6	

The Department of Lands services a wide variety of client groups, community groups, industry groups and other public sector agencies through provision of its products and services. Although we interact with particular communities on a daily basis, we are also mindful that we serve the government of the day and the wider interests of the public of New South Wales.

Our staff maintain memberships and links with a variety of professional associations and interagency committees. Involvement with these groups provide access to current issues within areas such as surveying, soil conservation, valuation, law, policy development and public sector management, ensuring a high standard of professionalism is maintained within the Department.

The knowledge and expertise of our staff has been recognised through awards such as the 2004 "Case" Earth

Awards presented to staff of the Soil Conservation Service in relation to the construction and project management of the Tingha sewerage scheme.

Lands supports a variety of research and development projects aligned with the interests of the Department, such as the Intellectual Capital Project. This work is being developed in the 2005 - 2006 financial year with further research to be undertaken with input from the University of Sydney, Macquarie Graduate School of Management, the University of New South Wales, Cranfield University (United Kingdom) and the Bocconi University. Other research projects include spatial information projects such as marine administration, the further development of qualitative measures provided by the Valuer-General, and national spatial data initiatives concerning built and natural environment datasets.

Innovation

In the course of preparing this Intellectual Capital Statement we have come to realise that innovation is an integral part of many of the managerial challenges and efforts. As a result, in Figure 1 we have depicted the management challenges, efforts and performance reporting endeavours as being incorporated in an environment of innovation.

Innovation is linked with the change process. Challenges in the workplace, whether they are in the area of human, internal or external capital, require innovation and creativity to ensure that our products and services continue to be relevant and create value for the community.

Innovation involves conceptualising and implementation of new ideas, new ways of delivering services and products and new ways of working. Innovation is also, generally, linked with commercial success. Lands has exhibited a willingness and capacity to innovate - whether through the adoption of new technologies, policies and work practices or in leading ventures in new areas of research and discovery such as the spatial information field or in the management, measurement and reporting of the intangible assets which exist in our organisation.

We acknowledge the need to develop indicators, which help us to express how innovation benefits our organisation, to compliment narrative style reporting. While some information already appears in other areas of measurement, for example the number of research partnerships we are involved with or the increase in online services, developing indicators of innovation remains our challenge for the 2005 - 2006 reporting year.

Public Value, Confidence and Trust

Unlike a business, the Department of Lands is not measured only on its ability to deliver quality services within its budget but on its ability to deliver to the public services that instil public trust and confidence and provide public value.

Value

Another aspect of value to the public is in the way the services are valued by the public. As the Department of Lands has continually improved its service delivery by making more information available in electronic format and as a result cheaper to access, users are seen to be using the information in new and different ways. This has resulted in an increase in the demand for information from the Department of Lands. This is evidenced in the growing trend for titling information that is supplied at a cheaper cost to the public.

Trust and Confidence

The Department of Lands encourages public trust and confidence in its products and services in several ways. Over time we have developed a reputation as fair and equitable providers of quality information and sound advice. For example, our titling services underpin land conveyancing processes; our expertise in environmental Soil Conservation Service is well recognised through industry awards and we continue to manage public land assets fairly and equitably to ensure the best social, economic and environmental returns to the community.

Together with the Valuer General, the Department of Lands has actively sought to improve public confidence in the land valuation system by improving available information concerning the valuation process to landholders by way of a newsletter and by providing supporting sales information and clarification of valuation issues to landholders upon objection. The success of this process may be measured by the number of Local Councils that are including the valuation newsletter with their rate notices and by the relatively low number of valuation objections received by the Department of Lands, which has one of the lowest objection rates of any Australian State.

Financial

Financial reporting has traditionally been the strongest aspect of performance reporting in the public sector.

The Department's financial statements follow and include separate accounts for the Department of Lands and Land and Property Information New South Wales (LPI). The reason for the two sets of accounts is that LPI, although organizationally part of the Department, is required by a Treasury directive to prepare separate accounts in respect to its business operations.

The department's accounts are annually audited by The Auditor General. His Independent Audit Report is enclosed as to the adequacy of the financial accounts included as the first page in this section with the financial accounts.

These audit reports indicate that the department's accounts are in accordance with the Australian Accounting Standards and other mandatory reporting requirements and present fairly the financial transactions during 2004/05. If the financial accounts failed to meet these standards the Auditor General would advise this as part of his Independent Audit Report.

Internal Reporting using the Balanced Scorecard

The Balanced Scorecard, first introduced by Kaplan and Norton more than ten years ago, introduced a multidimensional view of corporate performance reporting. From a single focus on financially based metrics, including cost and budget variation, the Balanced Scorecard extended reporting to include learning and growth, internal business process and customer perspectives as well as the traditional financial view. These perspectives are not intended to be isolated viewpoints of the organisation, but are interlinked and layered, reflecting causal connections, for example, between customer satisfaction and financial growth.

The nature of the public sector is such that appropriate measures must include issues as service outcomes (quality and efficiency), social outcomes (social equality and stakeholder satisfaction) as well as traditional financial measures.

The Balanced Scorecard framework complements extended performance reporting seeking a balanced and comprehensive view of service outcomes. As a management tool, the Balanced Scorecard helps to motivate staff by linking operational performance with the purpose and strategies of the organisation. Through performance and action measures we are able to align individual, divisional and organisational goals and to test, provide feedback on and adjust the organisations strategy.

Together Balanced Scorecard and Intellectual Capital Reporting provide a dynamic view of Departmental performance.

These management systems enable us to:

- Clarify and gain consensus about strategy and goals;
- Communicate strategic objectives and performance, improving transparency in reporting both internally and externally;
- Provide a better understanding of the non financial assets of the department and their importance in creating value;
- Obtain feedback to learn and improve our strategies and performance.

The diagram below shows the relationship between Intellectual Capital and Balanced Scorecard reporting that will be used by the Department of Lands. While the four reporting areas of Balanced Scorecard Reporting do not directly align with the three reporting areas of Intellectual Capital Reporting, there is a strong correlation.

Intellectual Capital		Balanced Scorecard	
External Capital	< >	Customer and Community	
Internal Capital	< >	Financial Results	Service Delivery
Human Capital	< >	Learning and Development	

Next Steps

In the 2005 -2006 reporting year, Lands intends to:

- Build upon the research already undertaken and continue to enhance extended performance reporting;
- Strengthen the connection between strategic planning objectives and operational performance;
- Broaden and improve the management, measurement and reporting of intangible assets;
- Operationalise internal reporting processes with a focus on continuous reporting on intangible assets within the organisation; and
- Encourage further pilot projects within the organisation which assist in building a sustainable knowledge-based learning organisation.

Principal Officers

Director General, Surveyor General and Registrar General

Warwick Watkins AMP:ISMP (Harv), MNatRes, DipScAgr, HDA (Hons)

Warwick Watkins was appointed Director General of the Department of Lands on 2 April 2003. He has held the position of Surveyor General since 2000 and the position of Registrar General since 2003. He has previously held a number of public service management positions in NSW including Director General of the Department of Information Technology and Management (DITM), Executive Director of the Electricity Reform Task Force, Commissioner of Soil Conservation, Director General of the Department of Conservation and Land Management and Director General of State and Regional Development and Chief Executive of the Waterways Authority.

Mr Watkins is Deputy Chair and a Director of Land and Water Australia; President of the Board of Surveying and Spatial Information; Chair of the Geographical Names Board and Chair of the Australian and New Zealand Land Information Council (ANZLIC), Deputy Chair of the CSIRO Research Flagship, Water for a Healthy Country, a member of the ARC Centre of Excellence for Ultra-high Bandwidth Devices for Optical Systems, a member of the National Spatial Information for National Security and a Director of the Cooperative Research Centre for Spatial Information. He is also a Pro Chancellor of the University of Technology, Sydney and a past foundation director of Landcare Australia Limited.

Deputy Director General and General Manager, Land and Property Information Division

Des Mooney MBA (Syd), BSurv (Hons), MIS Aust, FAICD Dip FAIM

Des Mooney was appointed as the General Manager, Land and Property Information (LPI) in February 2001 and appointed as Deputy Director General on 3 April 2003. He has extensive senior management experience in both the public and private sectors including experience in surveying, mapping and valuation activities. In his role as Executive Director of Management Services with the NSW Police Service Mr Mooney's responsibilities included the management of IT, finance, legal, infrastructure, corporate service and commercial service areas.

He is a Director of PSMA (Public Sector Mapping Agencies) Australia Ltd and a member of the ANZLIC Spatial Data Infrastructure Standing Committee. He is also an alternate Director of the Governing Board of the Cooperative Research Centre for Spatial Information (CRCSI).

Valuer General

Philip Western B.Agric Com (VFM) FAPI, AIMM, ANZPI, NZIM

Philip Western was appointed Valuer General in September 2003.

He is the principal advisor to the New South Wales government on valuation issues. His responsibilities include the regulatory functions relating to statutory land valuations, professional conduct of and ensuring the integrity of the valuation system and processes.

The Valuer General is also responsible for the determination of compensation under the Land Acquisition (Just Terms) Compensation Act 1991.

Mr Western was previously General Manager, Quotable Value Australia with responsibility for driving business growth for rating, taxation and valuation consultancy work, in New South Wales.

Mr Western was also General Manager, Rating and Taxation for Quotable Value New Zealand. His focus was on development of valuation business with local government customers throughout New Zealand.

General Manager Crown Lands Division

Graham Harding

Graham Harding was appointed as General Manager Crown Land Division in 2004.

Mr Harding has 37 years experience in a diverse range of public land management roles and in leading organisation re-development.

His focus is to implement a wide range of legislative reforms from the Crown Lands Act. At the same time, he is establishing a Public Trading Enterprises model for the Division to enable improved delivery of services and outcomes that will add public value to the management of Crown land assets.

General Manager Soil Conservation Service

Paul Jones B Engineering (Civil), CPESC

Mr Jones joined the Department of Lands as acting General Manager, transferring from the former Department of Land & Water Conservation with the transfer of the Soil Conservation Service Division to the Department in April 2003. He was appointed to the General Manager position in February 2004.

Mr Jones has led the drive to improve the financial position of the group with a range of new marketing strategies, Soilfleet rationalisation and upgrading and environmental consultancy expansion.

With 25 years experience in civil engineering, Mr Jones brings extensive knowledge and experience to the management of the Department's soil conservation, commercial earthmoving and environmental consultancy services. During his career he has also worked with various government departments in a range of engineering positions involving river, flood mitigation, coast and ports works and government facilities.

Corporate Governance

Corporate governance is still one of today's most prominent business challenges. The Department of Lands' Corporate Governance Unit (CGU) is responsible for monitoring the Department's business with the objective to enhance stakeholder value, establishing processes through which management remains accountable to stakeholders, and implementing a framework to assure stakeholders that the Department is fulfilling its responsibilities with due diligence and accountability.

The Corporate Governance Unit within the Department of Lands is charged with:

- The internal audit function within the Department;
- Management, review and reporting of protected disclosure matters;
- Addressing matters referred to by ICAC, Ombudsman's Office and other Regulatory Bodies.

Audit Committee

The Lands Audit Committee's objective is to assist the Director General to fulfill his corporate governance and oversight responsibilities in relation to the Department's financial reporting, internal control structure, risk management systems, legal compliance, and the external and internal audit functions.

The Committee comprises two independent members, one of whom presides as Chairman, and three internal members. The five members provide expertise in financial management, business development, legal matters, audit and property information. The Committee held five formal meetings during the year.

Members

Joanne Rees, Chair, External Member

Ron Cunningham, External Member

Des Mooney, Deputy Director General

Philip Western, Valuer General

Eduardo Alegado, Director Corporate Governance

Attendance at Meetings

Committee Members	Meetings Attended
Joanne Rees	4
Ron Cunningham	5
Des Mooney	4
Philip Western	5
Eduardo Alegado	5

Auditing of the Organisation

The internal audit function, which the CGU manages, is a fundamental element of the corporate governance structure within the Department. Its mission is to provide innovative, responsive, independent, objective assurance and advisory services designed to add value and promote continuous improvement of the Department's operations, to enable the Department to accomplish its objectives and statutory obligations. Further, Internal Audit also aims to raise awareness of risk and provide counsel to management in order to assist in enhancing the performance of the Department.

The main role of Internal Audit is to provide the Director General, management and the audit committee with regular objective and professional opinions on the department's systems of internal control. Internal Audit does this by reviewing control procedures, within the terms of relevant policies and procedures, Acts, Regulations, relevant government directives and best practice guidelines.

A total of seventeen planned reviews were completed during the financial year 2004/2005.

The CGU is also responsible for overseeing a structured program of external audits undertaken by the Audit Office of New South Wales.

Some of the key internal audit reviews conducted during the period includes:

- Reserve Trust Management Review
- Policy and Procedures review
- Tweed Sand By Pass Project.
- Insurance management Review

Risk Management

The Director, Corporate Governance, established and chaired the Lands Risk Management Steering Committee. The Committee was successful in developing an integrated risk management policy and guidelines for the Department.

Corporate Governance Outcomes

- Managed and developed the Department's integrated Risk Management policy and framework.
- Enhanced the Department's Protected Disclosure policy, and other governance related policies.
- Developed a comprehensive risk based audit methodology process.
- Managed and implemented a comprehensive internal audit program.
- Supported and managed the Department's response to issues arising from external regulatory Bodies.
- Developed enhanced key performance indicators to improve the efficiency and effectiveness of the internal audit function.
- Supported the functions of the Lands Audit Committee.
- Provided strategic advice on a number of key projects and management issues.
- Reviewed and enhance the Internal Audit Charter.

Future Challenges

- Manage and implement a comprehensive internal audit program.
- Manage matters referred by external regulatory bodies.
- Support the functions of the Lands Audit and Risk Committee.
- Facilitate the implementation of the Lands Risk Management Policy.
- Facilitate the development of the Lands Fraud prevention Strategy.
- Provide strategic advice to management.
- Develop an annual strategic audit plan.

- Enhance the current Audit Committee Charter.
- Assess the introduction of control self-assessment within the business units.

LPI Advisory Group

The role of the LPI Advisory Group is to give counsel, not govern, on issues regarding LPI's goals, oversee strategic plans and review LPI's progress towards attaining goals. The General Manager, as CEO of LPI, makes all choices consistent with the policy defined by the Director General and has cumulative accountability for the performance of all staff and for compliance with executive limitations.

The Group consists of six persons and is chaired by the Director General. The three external counsellors have expertise in financial management, business development and property information. The Group meets five times a year, meetings coinciding with critical times in the planning cycle.

Communication Solutions Group

The Communication Solutions Group (CSG) is responsible for internal and external communications for the Department, including corporate communications, departmental announcements, sponsorship management, ministerial information services, issues management and media relations. Our role is to enhance awareness of the activities, directions and policies of the Department among our staff, other government agencies, business clients, community stakeholders and the general public. This is achieved through corporate communication and marketing strategies, public relations and promotional campaigns, and effective management of our relationship with the media.

Our objectives include:

- Consistent messages and clear, concise, accessible communication to all stakeholder groups.
- The management of issues through the media including the provision of background information, press releases, timely responses to inquiries and interviews.
- Support for our business divisions with professional communication materials; brochures, facts sheets, specialised information products, question and answer documents, marketing materials, tender and expression of interest documents, advertising, design and media placement.
- Development of communications policy and procedures, training for online communications and continuous refinement of the web site to improve external communications.

Key Achievements in 2004-05:

Corporate

CSG promoted corporate goals and achievements to internal and external audiences and provided strategic support for departmental initiatives.

- Facilitated improved internal communication within Lands by developing the intranet as a corporate communication tool for announcements by Government, the department and business units. Communications were also improved through the staff magazine, *Inlands* (four issues), and CSG improved reporting on its activities and outcomes.
- Key liaison role between the Minister and the department, including ministerial events and announcements, media advice and speeches. CSG advised on programs and announcements for the Minister's visits to regional centres and prepared media releases, speeches and handouts for such visits. The latest news reports were regularly circulated to senior management and CSG managed development of briefings and advice arising from such reports.
- Managed relationships and promotion of Lands sponsorships - including Community of the Year Award, Aboriginal Support Network, Arc Linkage Project, Local Government Managers Australia Forum, Australian Computer Society Foundation Scholarships. CSG maximised the benefits from Lands sponsorships through media releases, web site information and speeches by departmental management.
- Designed and produced the corporate clothing catalogue, corporate presentation templates, marketing materials, displays and promotions.
- Organised Lands presence at four annual regional field days, including staffing, displays, information materials, competitions and giveaways.
- Web site communications management and strategy. Following the launch of the new Lands web site in 2004, CSG continuously monitored and instigated improvements on the site. A departmental training program on the Content Management System enabled business divisions to manage their own content updates.
- Worked closely with Graphic Services Division, Bathurst, on design and print production of a broad range of communications materials for Lands business units, the Office of Rural Affairs, the Geographical Names Board and the Board of Surveying and Spatial Information.

Land and Property Information

Supported LPI business/marketing goals and providing strategic advice on matters of public interest.

- Marketing plans, design and editorial services for business initiatives, such as the Digital Cadastral Database and the Emergency Information Coordination Unit.
- Design and editorial for a range of LPI publications for titling and registration services, surveying, mapping, spatial information, land valuations, client and consumer fact sheets, spatial dataset newsletter, electronic titling project public consultation report and promotional flyers.
- Management of high public interest issues, including land valuations. Assisted the Valuer General to develop and implement a more comprehensive communications strategy, including the production of the first Valuer General's newsletter (mailed to local government ratepayers), updated brochures and a range of fact sheets on the website.
- Provided the Valuer General with ongoing strategic advice and public information products to assist his responses to the Ombudsman's review of valuations, public inquires and media interest.
- Media publicity on achievements in land titling, rural addressing, geographical naming and other issues. Liaison with media for interviews of senior management on these issues.
- Online communications enhancements, such as the Registrar General's Directions.

Crown Lands NSW

CSG provided strategic advice and marketing services for Crown Lands during a period of major reform of the Crown land estate.

- Advice on responses to strong public and media interest in the reform program for perpetual leases, enclosure permits, water access and other Crown land licences and leases. CSG produced a range of information products for print and web site distribution, regular media releases, speeches and responses to ongoing media inquiries.
- Counsel and written responses provided for a consistent level of inquiry about other Crown Lands programs, including minor port maintenance, public reserve management, trustee management and funding programs.
- Produced media guidelines for the Reserve Trust Management manual.

- Design and editorial of print and online information products promoting Crown Lands' products and services, including enclosure permit fact sheet, Hume and Hovell Walking Track brochures, State Parks brochures series and State Park Maps.
- Promotional events and materials, coordinated state parks marketing plan, promotion of walking tracks, such as the Minister's visit to the Hume and Hovell Track, including a promotional pack for media invited on the walk.
- Professional support for business initiatives, including plans of management, tender submissions and expression of interest, including the Lot 490 documentation.

Soil Services

Providing marketing advice and business support services.

- Developed business plan and provided strategic marketing advice
- Design and text for award-winning entry in the Case Earth Awards, expressions of interest for new business
- Comprehensive communications strategy, including advertising and media publicity for successful projects.
- Designed and wrote a series of information sheets covering the range of business services.
- Produced new signage for the Great North Walk.

Report of the Surveyor General

The position of Surveyor General of New South Wales was in place from the commencement of the Colony in 1788 and is the Government's principal advisor on surveying and spatial information.

During the past year the Surveyor General has continued to foster the preservation and promotion of surveying history, careers and industry capacity building, enhancing the cadastral and spatial data infrastructure and the direction and development of improved surveying standards and the collection, analysis, storage and distribution of spatial information.

The Surveyor General provided leadership and strategic direction for the industry as evidenced by the passage of the Surveying Act Amendment Bill, which introduced the first statutory definition of "spatial information" in the world and provides a further benchmark for the spatial information industry in NSW.

In the area of maintaining and improving survey standards and the integrity of the state cadastre:

- Surveyor General's Directions (eleven in total) have been revamped, updated and republished online. One new Direction has been published, - "Water as a Boundary", following major changes to the Coastal Protection Act.
- Four plans redefining the State's borders have been approved involving the Victorian and Queensland governments.
- In collaboration with the ACT Government, the Office of Surveyor General provided survey control infrastructure for the remaking of a further 50 kilometre section of the NSW/ACT border destroyed by bushfires in 2003.

The Surveyor General actively supports and promotes careers and excellence in Surveying and Spatial Information at a time when there is strong marketplace demand through:

- Undergraduate Professional training program for the best third year surveying student in NSW, based on application
- Training of four Railcorp survey graduates in rural and urban cadastral surveys for registration purposes.
- "Women in Surveying" Scholarships at the Universities of NSW and Newcastle for high school leavers, based on the best University Admission Index (UAI).

- Continued support for the UNSW Co-Op Scholarship Program for two undergraduates in Surveying and Spatial Information.
- Ongoing sponsorship of two award categories (Extra Dimension and Mapping) at the Annual Excellence in Surveying and Spatial Information.

Preservation and promotion of surveying history has been supported through:

- Resurvey of some ninety kilometres (90) of the NSW/Queensland border west of Mungindi connecting remaining mileposts placed in the 1870's.
- Sponsorship of a publication "James Meehan - A Most Excellent Surveyor" one of NSW's most productive early colonial surveyors.
- The Pathfinders Project, an archive of those registered surveyors who assisted in the development of NSW since 1788.

As President of the Board of Surveying and Spatial Information (BOSSI) the Surveyor General provided leadership and direction in the implementation of the new Board and the expanded responsibilities for spatial information for NSW. These activities are reported separately under the BOSSI section in this report. Similarly reported in another section of this report are the activities of the Geographic Names Board for NSW. The Surveyor General Chairs this important statutory committee.

Jevons: The Curious Economist

The Office of Surveyor General provided the Powerhouse Museum with contours and spot heights of Sydney and surrounding regions for the construction of a 3D topographic model depicting Sydney, as it was when William Stanley Jevons undertook his first social survey.

The Surveyor General's office also supplied the Museum with a digital 3D "fly through" of the Woolcott and Clarke map of Sydney 1854, upon which Jevons built his social survey.

Transit of Venus

The Surveyor General participated in celebrations to mark the Transit of Venus - that is when the planet Venus passes in front of the Sun, enabling astronomical observations to determine the Astronomical Unit.

The National Trust and the Office of Surveyor General celebrated the 1874 Transit through a re-enactment of the observations taken by the then Surveyor General Philip Adams and his team at the Woodford Academy in the Blue Mountains.

The Surveyor General's office also provided the "Fairfax Telescope" which was used during the 1874 Transit for inclusion in the Powerhouse Museum's display commemorating James Cook and the 1769 Transit of Venus, which he observed in Tahiti before sailing to the east coast of Australia in 1770.

National Activities

The Surveyor General led the successful presenting bid team for the 2010 Fédération Internationale des Géomètres world Congress at the FIG event in Cairo. The 2010 conference will bring the spotlight of surveying and spatial information from across the world to Sydney.

This is a very important win for Sydney, Australia and the ASIA Pacific and will provide a spring board to further enhance the professions and showcase the achievements in surveying and spatial information from this part of the world.

As Chair of the Australian and New Zealand Land Information Council (ANZLIC) Warwick Watkins led a very active program and an ANZLIC multi jurisdictional team to further the achievements in spatial information policy and strategy. These included significant developments in the application of spatial information to counter terrorism, emergency services and critical infrastructure protection, application of spatial information to the natural resource and local government sectors and the further development of standards and meta-data to underpin the Australian Spatial Data Directory.

Geographical Names Board report

The Geographical Names Board of New South Wales (the Board) was established in 1966 as the statutory body in charge of placenames for the State. Under the Geographical Names Act 1966 (the Act), the Board has the power to assign names to places; to investigate and determine the form, spelling, meaning, pronunciation, origin and history of any geographical name; and to determine the application of each name with regard to position, extent or other reference.

The Board is committed to providing NSW with the best possible service in this area. As such; the Board is at the forefront of international 'best practice' methodologies in the field of toponymy. This best practice approach has seen the Board excel in many areas in the past twelve months with National and International recognition of many of its projects.

Membership

The Board is chaired by the Surveyor General of NSW and has members representing the Royal Australian Historical Society, the Local Government and Shires Association, the State Library of NSW, the Community

Relations Commission, the Geographical Society of NSW, the NSW Aboriginal Land Council and the Department of Infrastructure Planning and Natural Resources.

Members of the Board for the reporting year were.

Mr Warwick Watkins
AMP:ISMP (Harv), MNatRes
DipScAgr,HDA (Hons)
Surveyor General

Mr Paul Harcombe
B Surv (UNSW), M Geom
Chief Surveyor

Ms Cheryl Evans
Nominee of the State Librarian

Mr Paul Hartley
Nominee of the Executive Director, Department of Infrastructure, Planning and Natural Resources

Mr Peter Woods
Emeritus Mayor, OAM, CMC, JP, BA, MLitt, TTC, Cert. Comm. Med, MACE, FAICD
Nominee of the Local Government and Shires Associations

Mr Alan Ventress
BA DIPLIB
Nominee of the governing body of the Royal Australian Historical Society

Mr Jack Devery
BSc, MTCP
Nominee of the governing body of the Geographical Society of New South Wales

Mr Murray Chapman
Nominee of the NSW Aboriginal Land Council

Mr Stepan Kerkyasharian AM
Nominee of the Community Relations Commission

The Act allows the Board to appoint Counsellors to advise it on matters within its powers and functions. The Board has appointed two full time Counsellors to advise it on issues regarding history and linguistics. These Counsellors are:

Dr Peter Orlovich
PhD,MA,MLib,DipEd

Dr Jakelin Troy

Attendance at Meetings

The Board met formally on five occasions during the year. Five members form a quorum. The person presiding at the meeting has a deliberative vote and casting vote. The list below shows the number of meetings attended by each Board Member and Counsellors.

Mr Murray Chapman, Chairperson of the New South Wales Aboriginal Land Council replaced Mr Les Trindal as a nominee of the Land Council in October 2004.

The Board also appointed Dr. Jakelin Troy as a Counsellor to advise on Aboriginal Linguistic issues.

Board Member / Counsellor	Meetings Attended
Mr Watkins	4
Mr Harcombe	5
Ms Evans	5
Mr Hartley	5
Mr Woods	4
Mr Ventress	4
Mr Devery	5
Mr Kerkyasharian	3
Mr Chapman	4
Mr Orlovich	5
Ms Troy	3

Honouring both Famous and Everyday Australians

The Board commemoratively names features in NSW to honour those community members that have made an exceptional contribution to society. These commemorative names recognise both famous and everyday Australians whose achievements are deemed outstanding.

The Board has honoured over 30 individuals in the past twelve months by naming various features after them. These names commemorate a wide variety of achievements from a broad cross section of people, ranging from school children and volunteers through to Victoria Cross (VC) winners.

People like Pilot Officer Rawdon H Middleton VC, who served in the 149 RAAF squadron in World War Two and subsequently died in action and Ben Clark, who impressed all with his determination not to be beaten by a rare genetic disorder and was an inspiration to all associated with him, particularly his fellow school pupils, have been commemorated by the assignment of a placename in their honour.

Recognising the History and Culture of NSW

History and culture play an important role in the allocation of Geographical names. Placenames can commemorate significant events in history, ethnicity and customs important to a local community.

The Board values these sources for place names and actively seeks to recognise names of this nature whenever it can. As such, names commemorating major historical events, ethnic groups and cultural diversity have been recognised by the Board in the reporting year.

Vinegar Hill is one such name. On 5 March 1804 an uprising by mainly Irish rebel convicts occurred against the NSW Corps. The battle site, in the Blacktown area, had similarities to a rebellion in Ireland in 1798, which was known as The Battle of Vinegar Hill. For this reason, the name Vinegar Hill was used to describe the 1804 rebellion. Over 200 years later, as a mark of respect for those who fought and died in the uprising, the Board officially recognised Vinegar Hill as an historic site.

In other examples, the Board has recognised the early Maori connection with Western Sydney by assigning the name Rangihou Reserve to a park in Parramatta. Whilst, quintessential Australian names have also been acknowledged, the name "Eaglehawk" was assigned by the Board in March 2005. This name was mentioned in the poem Mulga Bill's Bicycle by Banjo Patterson.

The recognition of contemporary names important to various segments of the community demonstrates the Board's commitment to everyday Australian culture. In August 2004 the Board considered the name 'Lemming Corner' for a rural place located on the Great Northern Road. The name marks the location of a deep ravine where the road winds through a cutting. The frequency in which motorcyclists fall off at this location is compared to that of the ill fated Lemming. As such the area was colloquially known by this name by many motorcyclists. The Board formalised this name after representation was made by local council and the Motorcycle Council of NSW Inc.

Reconciliation through Placenames

All Australians share a relationship to the land, and the names we give to places convey their significance, sense of history and identity. The Board is committed to recognising our Aboriginal cultural heritage by registering original place names given by Aboriginal people so that they sit side by side with existing introduced names. Since June 2001 the NSW Government has supported the Board's dual naming policy for geographical features and cultural sites. This community-driven system acknowledges the significance of Aboriginal culture and, in doing so, represents a meaningful contribution to the process of reconciliation in NSW.

To ensure the successful ongoing implementation of the policy the Board, partnered with by Aboriginal Languages Research and Resource Centre (ALRRC) and the Asia Pacific

Institute of Toponymy (APIT), conducted a series of regional workshops. These workshops have been a great success in communicating the Board's policies directly to Aboriginal communities. As well as answering many questions, the workshops allowed the local Aboriginal communities to raise concerns and suggest issues that may need addressing.

These workshops provided a forum to bring recognised Elders together from all over the Sydney Basin. Consensus was reached to formally recognise traditional Aboriginal place names in Sydney Harbour, many of which are Australian icons, for example Fort Denison / Muddawahnyuh. As a result of these workshops, the Board formally gazetted over twenty names in January 2005 after several rounds of public consultation.

Sharing the Knowledge

The Board is committed to the principle of continuous improvement. This commitment has led to it being recognised as a best practice organisation in the area of toponymy. The Board is dedicated to sharing its knowledge and educating other nomenclature organisations.

In October 2004, the Board and its partner APIT successfully co-hosted the United Nations Training Course in Toponymy. Participants from six separate countries attended this course. These participants included the current chairperson of the United Nations Group of Experts on Geographical Names (UNGEGN), Helen Kerfoot, and the Secretary-General of the International Cartographic Association, Dr Ferjan Ormeling.

The Board was also asked to present its Dual Naming policy and related methodology at a recent international conference on minority names, indigenous names and geographical names in multilingual areas. This conference was a United Nations endorsed event and was held in Ljouwert/Leeuwarden, in the heart of the Frisian language minority area in the Netherlands in April 2005. The conference was organised jointly by the Frisian Academy and UNGEGN. The organisers recognised New South Wales as a best practice jurisdiction in the area of Minority Names and Indigenous placenames.

The Right Address

Placenames are the building blocks for street addresses, which is arguably one of the most important roles they play in today's society. The street address provides a reference that uniquely identifies an individual property, which is easily understood by everyone thus offering a simple navigable structure for property identification. This system is essential for the provision of services, ranging from those needed in an emergency to the daily delivery of mail.

Both the names of the address locality or suburb and the road name are essential elements of the street address. The Board plays an important role in the determination of these names with over 180 address locality names being formalised and concurrence being granted on 991 road names in the reporting year.

Roads, Schools and National Parks

Section 12 of the Act empowers the Board with a concurrence role for all geographical names that fall outside the Act. In fulfilling this requirement, the Board has developed several procedures and policies to deal with this concurrence role. During the reporting year the Board used these procedures and policies to concur with various proposals to name Schools and National Parks and deal with a number of objections to several road names within New South Wales.

Goals for 2005/2006

- To recognise traditional Aboriginal names through dual naming process and in so doing make a tangible commitment to Reconciliation in New South Wales.
- To formalise over 40% of all outstanding suburb determinations by the end of the reporting year.
- To formally recognise excellence in the community through commemoratively naming in excess of forty features after respected community members.
- To commence the re engineering of the Board's databases and business processes so as to ensure maximum efficiencies.
- To accomplish over 400 placename determinations in the reporting year.
- To ensure a high standard in the naming of the State's roads, schools and National Parks by a continued commitment to a concurrence role for toponyms that fall outside the Board's jurisdiction.
- To encourage the standardisation and promotion of geographical names on a State, National and International basis.

Publications

The following publications are available from the Board's website or from the Secretariat.

- The Recognition of Aboriginal Placenames in NSW
- Geographical Names Board - Preserving the history, culture and identity of New South Wales
- Determining Suburbs and Localities in NSW

- Dual Naming - Supporting cultural recognition
- Road Naming in NSW
- Commemorative Naming
- Glossary of Status Values in the Geographical Names Register
- Guidelines for the Determination of Placenames
- Naming Proposal Package
- Determination of Locality/Suburb Names and Boundaries
- Introduction of New Suburb Names
- Suburb and Locality Boundaries
- Proposed Geographical Name Commemorating a Person
- Guidelines for the Naming of Roads

Electronic Service Delivery

The Board offers a full range of service on its web site including an online gazetteer of placenames, maps showing address locality boundaries within NSW and a full range of related information. The Board's site can be viewed at: www.gnb.nsw.gov.au

The Board is committed to the ongoing development of this site with planned improvements for the upcoming year.

Committees

In the reporting year, the Board continued its Technical and Scientific sub-committee to investigate issues pertaining to linguistic consistency for regional dual name proposals; the development and implementation of the Aboriginal Geographical Naming Strategy and the investigation of other issues affecting Indigenous geographical names.

The sub committee consists of experts in the areas of archival research, linguistics, history and toponymy and was also constituted as the State Executive Committee of the Australian National Placename Survey.

Access

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Facts and Figures

Naming and boundary determinations by category completed during the reporting year.

Designation	2000-2001	2001-2002	2002-2003	2003-2004	2004- 2005
Airfield	0	0	0	22	0
Amphitheatre	0	1	0	0	1
Anabranh	0	0	0	0	0
Bay	0	4	0	0	12
Beach	2	4	2	5	6
Bluff	0	0	0	0	0
Boundary	0	0	0	0	1
Breakwater	0	1	0	2	1
Canyon	0	0	0	1	0
Cave	0	0	0	0	0
Cove	0	0	0	0	8
Butte	0	0	1	0	0
Cemetery	0	1	0	3	0
Channel	0	3	1	4	0
Chasm	0	0	0	1	0
Clearing	0	1	0	0	0
College	0	0	0	1	0
County	0	0	0	0	0
Cove	0	5	0	2	0
Creek	2	9	10	4	5
Crossing	0	0	0	0	1
Dam	0	2	0	2	0
Dock	1	0	0	0	0
Falls	0	0	2	1	0
Flat	0	0	0	2	0
Ford	1	1	0	1	0
Forest	0	9	0	1	0
Gap	0	0	0	1	0
Glen	0	0	0	0	1
Gradient	0	0	0	1	1
Gully	0	1	6	1	0
Head	0	2	0	2	0
Headland	1	1	0	1	5
Hill	6	5	1	2	2
Historic Area	17	62	29	0	1
Historic Locality	34	1	1	2	24
Historic Site	6	33	29	1	1
Inlet	0	2	1	0	0
Islet	1	0	0	0	1
Island	0	3	0	1	4
Lagoon	0	0	0	0	0
Lake	1	4	1	1	0
Locality	133	150	268	84	138
Lookout	0	0	2	1	2
Mountain	2	3	2	1	2
Parish	0	0	0	0	1
Pass	0	0	0	1	1
Peak	0	0	10	0	0
Peninsula	2	0	0	0	0
Point	0	14	1	2	17
Port	0	0	0	0	1
Post Office	0	0	0	1	0

Railway Station	0	4	0	2	0
Ramp	1	0	1	0	0
Range	0	4	0	1	1
Reach	0	0	0	0	1
Region	0	0	0	2	0
Reef	0	0	1	0	0
Reserve	107	88	176	224	41
Reservoir	0	0	0	0	0
Ridge	0	3	1	0	2
River	0	0	0	1	0
River Bend	0	1	1	0	0
Rock	1	0	1	0	1
Rural Place	93	74	89	2	1
Saddle	0	0	0	0	0
Sandbar	0	0	0	0	1
School	1	20	1	20	9
Spring	0	0	0	0	1
State	0	1	0	0	0
Stream	0	0	0	0	0
Suburb	45	70	25	46	44
Swamp	0	2	1	1	1
Town	1	6	9	0	0
Track	1	0	1	1	1
Trig. Station	5	61	122	38	0
Urban Locality	0	0	0	0	0
Urban Place	18	0	8	4	9
Valley	0	0	0	0	0
Village	24	13	47	10	0
Walking Track	0	0	0	0	0
Waterfall	0	0	1	1	2
Water Feature	0	32	0	0	0
Waterhole	0	1	0	6	0
Weir	0	5	0	0	0
Wharf	0	3	1	19	0
Total	506	710	853	533	352
Dual Names Assigned	0	0	2	0	22

Survey Services

Level 2, 1 Prince Albert Road
Queens Square
Sydney NSW 2000

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Sydney NSW 2001

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Office hours: 8:30 am - 4:30 pm Mon to Fri.



Warwick Watkins
Surveyor General

Report of the Registrar General

The office of the Registrar General, first established in 1844, has a significant role in relation to the economic development of New South Wales. Property rights in land represent a large proportion of the wealth within the State. A formal process of legally recognised property rights enables the proper functioning of the land market, a fundamental aspect of any market economy.

The Torrens title system provides landowners, and those who wish to deal with land, with proof and security of ownership. The Torrens titling system also provides a level of protection against uncertainty and fraud, enabling the transfer of land assets within a sound legal environment.

Not all land in New South Wales is held in Torrens title. The Registrar General has established, through Land and Property Information, an accelerated program for the conversion of all manual and Old System or deed based titles, to Torrens title. This will not only provide holders of Old System titles with the certainty and guarantees associated with the Torrens System, but will continue to improve the completeness of the land titles information system for the State. This process, which is aimed to be substantially completed by December 2006 will increase the accuracy and completeness of the NSW cadastre and will also assist in the acceleration of electronic conveyancing initiatives and enhance land ownership and security.

A significant achievement over the past year has been the development by NSW, through Land and Property Information of a business model for a National Electronic Conveyancing System. The project currently being accelerated builds on considerable development and public consultation in both NSW and Victoria. This work has now been brought together to form the basis of a national approach. With a national annual property market in excess of \$220 billion, this work represents an important undertaking under the direction of the Registrar General, within the national framework provided by the Australian and New Zealand Land Information Council (ANZLIC).

The Registrar General has the responsibility to provide the people of New South Wales with prompt, accurate, cost effective and guaranteed services for the registration of dealings with land, plans of subdivision, the issue of Certificates of Title and the provision of land information. This includes the undertaking of significant audits and field checks to ensure the accuracy is maintained.

The Registrar General also has a duty to undertake boundary determinations in accordance with Part 14A

of the Real Property Act 1900 upon the application of an owner of land, a purchaser under contract or public or local authority or head of a Government department. During the past year 16 boundary determinations have been resolved. This process provides the landholder with some surety about the location of their property boundaries.

During the year, following the policy decision to separate the water rights from the land or property right the Registrar General designed and established the new Water Property Register. This will facilitate the accurate recording of the individual water rights and their trading in the market place. This additional register forms part of a more holistic understanding within the community about "rights", their definition, recording and subsequent use and a willingness by the Registrar General to establish registers and record rights which can be spatially referenced and for which there is a market or community benefit.

Together with Registrar Generals from other Australian jurisdictions work is being undertaken to describe and record more fully the "rights, restrictions and obligations" on land, outside of those currently recorded on the Torrens title. Such a holistic approach will create a more informed market place and increase the knowledge of land for purchase, use and development purposes. In that regard, work will proceed within NSW on expanding the scope and completeness of the Central Registrar of Restrictions, which provides a statutory base for the recording of this information.

An important task is the continuous review of the legislation, to ensure that the legislation remains current and relevant. One example of this work is the proposed Security Interests in Goods Bill, which is being prepared for submission to Parliament. The proposed legislative amendments will provide a more modern regime and it is anticipated to be a welcome change for the rural and small business community, replacing the Bills of Sale Act 1898 and the Liens on Crops and Wool Stock Mortgages Act 1898. Other legislative changes during the year are outlined later in this report.

The retention and continued development of the core legal skills in land law within the Department, to support the Registrar General, is a key element in the development of the statutory program, matters related to the Torrens Assurance Fund and the resolving of complex land law based issues for clients. More information about the Fund is provided later in Land and Property Information section of this report.

During the reporting year, the following legislation was enacted:

Legislation and legal change

1. Surveying Amendment Act 2005

This Act made a number of amendments to the Surveying Act 2002 including:

- Inserting a definition of "spatial information" in the Surveying Act;
- Allowing a requirement to be made for the correction of an error in a land or mining survey;
- Permitting the appointment of another surveyor to satisfy requisitions on a plan that is lodged with the Registrar General, where the original surveyor cannot complete the task;
- Requiring the earlier payment of a surveyor's annual registration fee;
- Allowing disciplinary action to be taken against surveyor who has removed his or her name from the register of surveyors to avoid investigation;
- Broadening the class of nominations that may be made from the spatial information industry for inclusion on the Board of Surveying and Spatial Information.

2. Civil Procedures Act 2005

The Department assisted in the drafting of this Act, particularly with regard to Writs against land. This Act resulted in cognate amendments to the Real Property Act 1900 and the Conveyancing Act 1919 regarding registration of Writs.

3. Statue Law Revision

The Statue Law (Miscellaneous Provisions) Act (No. 2) 2004 amended the following Acts:

- Real Property Act 1900 and Conveyancing Act 1919 regarding payment and collection of fees;
- Valuation of Land Act 1916, to standardise the form used for objecting to a valuation; and
- Community Land Development Act 1989 to make it easier to terminate a community scheme where all owners consent.

The Statute Law (Miscellaneous Provisions) Act 2005 amended the following Acts:

- Community Land Development Act 1989 to allow creation of positive covenants;
- Strata Schemes (Freehold Development) Act 1973 and the Strata Schemes (Leasehold Development) Act 1986 to correct anomalies regarding, among other things, subdivision of lots or common property, the requirement to lodge a strata development contract and what happens to easements when a scheme is terminated.

Significant decisions by the Courts

The following matters were litigated before the Supreme Court of NSW or settled.

Perpetual Trustees Victoria -v- Tsai **Supreme Court - Judgment 5 August 2004**

The plaintiff's property was affected by an allegedly fraudulent mortgage that was part of a scheme involving various counterfeit documents, including a counterfeit Certificate of Title. The mortgagee, sought to enforce the mortgage by an action for default judgment in the Supreme Court.

The Court initially granted the application for default judgement and Mr Tsai appealed.

On Appeal, judgment was given to Mr Tsai and the default judgment set aside (*Perpetual Trustees Victoria Ltd v Tsai* [2004] NSWSC 745).

The appeal Judge stated that while the registered mortgage was protected by indefeasibility, the loan agreement that was purportedly secured by the mortgage did not itself bring with it any concept of indefeasibility and as there was an issue between the parties as to whether or not it was ever signed by the plaintiff or merely signed by a person impersonating him, there is not the material to demonstrate to the required standard that there was a loan. If there was no loan to the plaintiff he could not be in default and, therefore, the mortgagee was not entitled to possession."

While the judgment was not determinative of the action, the parties negotiated to end the matter, which was discontinued on 18 March.

As most mortgages are in a format similar to that considered in this case, this judgement may have a significant affect in future claims on the Torrens Assurance Fund (TAF).

Shu Ying Lin
Ling He & Jin Yu Xue
Ping Heng Lee
Cic Thi Bac Duong
Kit Ping Lau

All of these claims involve a similar loan structure to the Tsai case. As a result, the Registrar General sought Counsel's advice concerning the applicability of the decision in *Perpetual Trustees Victoria Ltd v Tsai* [2004] NSWSC 745 to the above claims.

Counsel's advice indicates that all of the matters are essentially similar. The effect of the Tsai judgement is that, in these cases where the forged mortgage is of a similar type to that in the Tsai case the debt will not be enforceable, as the loan agreement is not protected by the State Guarantee. The result is that while there is a mortgage on the various titles involved, nothing is payable under the mortgages and the registered proprietors are entitled to have them discharged.

The Registrar General wrote to all parties advising that, on the basis of the Tsai decision, there is no claim on the TAF and the mortgages should be discharged. To date no mortgages have been discharged. To date no proceedings have been instituted.

Liberty Funding v Malaxos & Ors; Cross-Claim Malaxos v RG & Ors

In a cross claim the plaintiff claimed damages from the TAF resulting from the fraud of her husband who had forged Mrs Malaxos' signature on a series of mortgages. The husband is now a bankrupt and the current mortgagee took proceedings for possession of the land. The plaintiff cross-claimed against the TAF. A number of other cross claims have also been filed against various parties, brokers and accountants, involved in facilitating the mortgage.

The TAF was exposed to a risk of compensating the plaintiff's loss of her half interest in the property as well as her costs. The liability of the TAF was not clear as this matter is affected by the decision in the Tsai case. Ultimately settlement was reached.

Re: Maclean - Costs

In this matter LPI omitted a notation of a road widening resumption from a title to land owned by the plaintiff. She was in the process of subdividing and developing the land, in conjunction with her company.

Some work had already been carried out on the development before the plaintiff discovered the resumption. She claimed compensation from the TAF for lost expenses for work, which had to be re-done. The department admitted liability but disputed the amount claimed, which was over \$375,000.00. The case went to a hearing on the measure of damages only.

Judgment was delivered on 3 October 2003. Damages were awarded to the First Plaintiff, of \$19,250.00 and to the Second \$126,378.00, making a total of \$145,628.00. Interest was payable on this amount and the Registrar General was to pay the Plaintiffs' costs.

The amount of \$146,759.43 was the total amount payable by the Registrar General to both Plaintiffs and took into account that the Registrar General had already paid the sum of \$40,000.00 as an expression of good faith on 22 December 2000.

Torrens Assurance Fund

During 2004/05 financial year the Registrar General made several payments in response to claims against the Torrens Assurance Fund totalling \$308,000.00. This sum includes compensation payments and disbursements, such as Counsel's fees.



Warwick Watkins
Registrar General

Report of the Valuer General

The Valuer General is a statutory position responsible for land valuations made under the Valuation of Land Act 1916.

As Valuer General, I am the principal valuation adviser to the NSW Government.

The position reports administratively to the Minister of Lands and the Director General of the Department of Lands and is accountable to the Joint Parliamentary Committee on the Office of the Valuer General.

The Valuer General is also responsible for the determination of compensation under the Land Acquisition (Just Terms Compensation) Act 1991 and valuation opinions in relation to other State legislation.

Vision

The Valuer General's vision is to ensure the delivery of valuation services that are **Customer Focused and Outcome Driven**.

As Valuer General, I am committed to providing a valuation system that is focused on meeting the needs of a range of stakeholders and to deliver outcomes that are transparent, consistent and provide value for money.

This involves:

- Provision of a quality, cost effective valuation process
- Providing an open and transparent valuation system
- Focusing on continuous improvement as a cornerstone of the valuation system
- Implementing measurable quality standards for valuation services
- Developing good working relationships with stakeholders through regular consultation and an open communication strategy
- Improved communication with all stakeholders including members of the public
- Providing professional leadership to and liaison with, the valuation industry

Parliamentary Committee

The New South Wales Government established the Joint Committee on the Office of the Valuer General in July 2003 under section 85 of the Valuation of Land Act 1916. The primary function of the committee is to monitor and review the exercise of the Valuer General's functions with respect to land valuations under the Valuation of Land Act 1916, the Land Tax Management Act 1956. In particular, the committee monitors the methodologies employed for the purpose of conducting valuations, monitors the arrangements under which valuation service contracts are negotiated and entered into and monitors the standard of valuation services provided under the contracts.

The committee conducted a number of meetings with the Valuer General during 2004-05 on the general operations of the Office of the Valuer General and on land valuation methodology in particular.

The First General Meeting of the committee and the Valuer General was held in October 2004, with the Second General Meeting being held in May 2005.

Land Valuation Advisory Group

The Land Valuation Advisory Group, comprising representatives of valuation industry groups and stakeholders, was formed as a result of the 1999 Walton Report. The group's primary focus is to provide advice to the Valuer General on the application of mass land appraisal techniques. The group also provides feedback to the Valuer General on general valuation matters.

The Group met twice during the year. The principle outcomes of these meetings were:

- Supported the Valuer General's proposal to commission further research to identify and examine factors that should be taken into account in deciding whether property valuations should be handcrafted; future areas of risk for the application of mass appraisal valuation; component and benchmark composition; additional qualitative statistical measures.
- Discussion with Kaye Griffin MLC (Chair - Parliamentary Committee on the Office of the Valuer General) on the role of the committee and the group.
- Commitment of the group to implement independent parallel valuations in conjunction with the 1 July 2005 general valuation.
- Development of provisions for contractors to assume greater accountability and responsibility for risk in the compilation of land values.

A small working group was formed to oversee the implementation of the independent parallel valuations for the 1 July 2005 general valuation. This group met on two occasions during the reporting period.

Parallel valuations were commissioned over a range of property types and locations, throughout New South Wales.

Relationship with Land and Property Information

Land and Property Information (LPI) provide the link between the Valuer General and the valuation service contractors, rate/taxpayers and the public.

LPI provides a range of valuation services to the Valuer General, including valuation contract management, auditing of valuations, processing of objections, provision of property information and data to valuation service contractors and the day to day management of valuations completed under the Land Acquisition (Just Terms Compensation) Act 1991.

LPI's services to the Valuer General are formalised through a Service Level Agreement.

The Service Level Agreement has undergone extensive review to provide greater focus on key performance areas and ensure the continuous development of a quality valuation system. The agreement covers the areas of valuation services, managing valuation contracts, provision of other valuation services, customer service, external communication and the management of the valuation data and systems.

The Service Level Agreement is current for the 12 months commencing 1 July 2004.

The Valuation Process

Currently within New South Wales there are approximately 2.4 million land valuations produced annually by the Valuer General. These are provided principally for rating and land tax purposes.

Land value refers to the value of the land only and does not include the value of improvements to the property such as a home. It does not generally reflect the price that could be obtained for the sale of the property.

Most land in NSW is valued using the "component method" of valuation, where properties are placed together and valued in groups called components. The properties in each component are similar, or are likely to change in value in a similar way.

Valuers will inspect and analyse a large number of sales in a locality to gain an in depth understanding of the real estate market. To assess land value, valuers may consider both vacant and improved property sales, making adjustments for the added value of improvements.

Representative properties are selected from components and are individually valued each year to determine how much the land value has changed from the previous year. This factor is then applied to all properties in the component to determine their new value. Sample valuations are then checked to confirm that the new values are supported by the market evidence.

The comparison between the sales and the land being valued will relate to the size of the land and other factors such as services available and the uses to which the land may be or is being put.

Other factors relating to comparability could include surrounding developments and amenities. These would include both positive factors, such as parks or views, as well as negative factors such as frontage to a busy road in a residential situation.

The independent contract valuers undertaking the valuations for the Valuer General use a range of material and information, including sales evidence, town planning information and deposited plans that allow them to determine accurate valuations.

Each valuation is recorded in the Register of Land Values and to keep valuations consistent, land is valued as at 1 July each year.

The Valuation of Land Act 1916 contains provisions for the individual review of property values through an objection process.

Tendering of Valuation Service Contracts

The Valuer General has the responsibility to enter into and monitor valuation contracts as part of his statutory duties. All valuations for rating and taxing purposes are undertaken by contractors. The Valuer General retains the statutory responsibility for the final valuation.

The ninth round of Valuation Service Contracts were let in 2004 for contracts commencing as at 1 May 2005. This involved nine contract areas:

Contract areas Contractor

Wollongong	Crown Valuation Services
Blacktown	Crown Valuation Services
Newcastle	Dupont Valuation and Property Research
Central Coast	Robertson and Robertson
Coffs Harbour	Property Valuation Services
Bega	Property Valuation Services
New England	Property Valuation Services
Dubbo	Aspect Property Consultants
Albury	Quotable Value Australia

A tender evaluation panel, made up of various stakeholder groups, is responsible for evaluating the tenders and providing a recommendation as to the preferred valuation service provider.

Communication Strategy

I have continued to implement a new communications strategy that applies to all stakeholders, including rate and taxpayers. The strategy ensures communication is open and transparent. In addition, the strategy encourages the provision of more information to stakeholders on the valuation process and more detailed information on the property market.

Positive feedback has come from stakeholders, including the Office of State Revenue, Local Government and Shires Association, Department of Local Government, the Association of Mining Related Councils, individual councils and individual landowners concerning the more consultative approach to valuation matters.

An open and informative approach has been implemented for all correspondence. In addition, priority has been placed on the provision of timely responses to Ministerial enquiries as well as letters received from rate and taxpayers.

A newsletter from the Office of the Valuer General was developed during 2004 and taken up by a large number of Councils for distribution to approximately 660,000 ratepayers. The principle topics covered in the newsletter included an explanation of the valuation methodology,

improvements being made to the valuation system and the opportunity for rate and taxpayers to provide suggestions for further improvements to the valuation system.

A second newsletter was published in June 2005, and distributed by Councils to approximately 1.35 million property owners. Positive feedback in response to the first newsletter resulted in a significant increase in the number of Councils requesting the newsletter.

Feedback supports the publication of the newsletter at least once per annum.

The Lands website has continued to be upgraded with improved information to assist rate and taxpayers in understanding how their land value was determined. These enhancements will be on going and continue throughout 2005.

Legislative Reform

The Valuer General regularly reviews the Valuation of Land Act 1916 to ascertain where amendments are required.

Section 33 of the Valuation of Land Act 1916 was amended to require rate and tax payers objecting to their valuation to complete a standardised objection form. This has assisted objectors in focusing on what their concerns are and in providing additional supporting information in relation to their objection. The implementation of the form has also greatly improved the processing times for the receipt and review of objections.

Further amendments will continue to be considered as I strive for increased transparency and clarity within the Valuation of Land Act 1916.

Challenges for the future

Pricing of Valuation Services

As Valuer General, in consultation with local government and the Independent Pricing and Regulatory Tribunal, I am reviewing the pricing of valuation services to local government. The last review occurred in July 1996. This review is being undertaken in conjunction with an overall review of pricing for valuation services to various stakeholders.

In consultation with local government and the Independent Pricing and Regulatory Tribunal, a framework for consultation and timing of discussions and decisions will be developed during 2005. This will be followed by a pricing review.

It is proposed that the review will be completed by March 2006, to ensure that any price adjustments can be included within individual Council's 2006-07 Management Plans.

Review of Roles and Responsibilities - Valuation Contractors and Land and Property Information

It is essential that the quality of valuation outcomes continuously improve to meet the increased expectations of all stakeholders. Integral to the improvement in the quality of valuation outcomes is the role of the valuation service contractor (VSC's) and the contract managers within LPI.

New processes and policies have been developed in consultation with VSC's and LPI to ensure that there is improved rigor in the valuation and audit processes. This will include on going auditing of the valuation process during the year, as well as the development and implementation of an integrated valuation and mapping facility. The result will be improved valuation accuracy and work process efficiencies.

Water Management Act 2000

The Water Management Act 2000 allows for the separation of water rights from the land title. Currently water rights are included in valuations prepared under the Valuation of Land Act 1916. There is a need to ensure that the value attributable to a water access licence, that is currently included in some rural land valuations, is removed to reflect the new legislation. This will be undertaken on a progressive basis, with completion scheduled for March 2006, to ensure that Councils have the amended land valuations to utilize for rating purposes for the year commencing 1 July 2006.

New South Wales Ombudsman's Investigation

The New South Wales Ombudsman, is currently undertaking an investigation of the valuation system, with focus being on, (a) the quality control assurance measures employed by the Valuer General to ensure the accuracy of valuations; and (b) an examination of the handling of objections to valuations including the provision of information to potential and actual objectors.

The Valuer General welcomes the investigation and any recommendations that will assist in providing further improvements to the valuation system.

Enhancement of Valuation Quality

In my continued drive to improve the quality of valuations for the benefit of stakeholders, there are a number of key projects that will require focus and commitment during 2005 - 2006. These will include providing clearly defined roles, responsibilities and accountabilities for valuation service contractors and LPI contract managers; the implementation of an integrated mapping and valuation system; the implementation of on going valuation audits and independent parallel valuations.

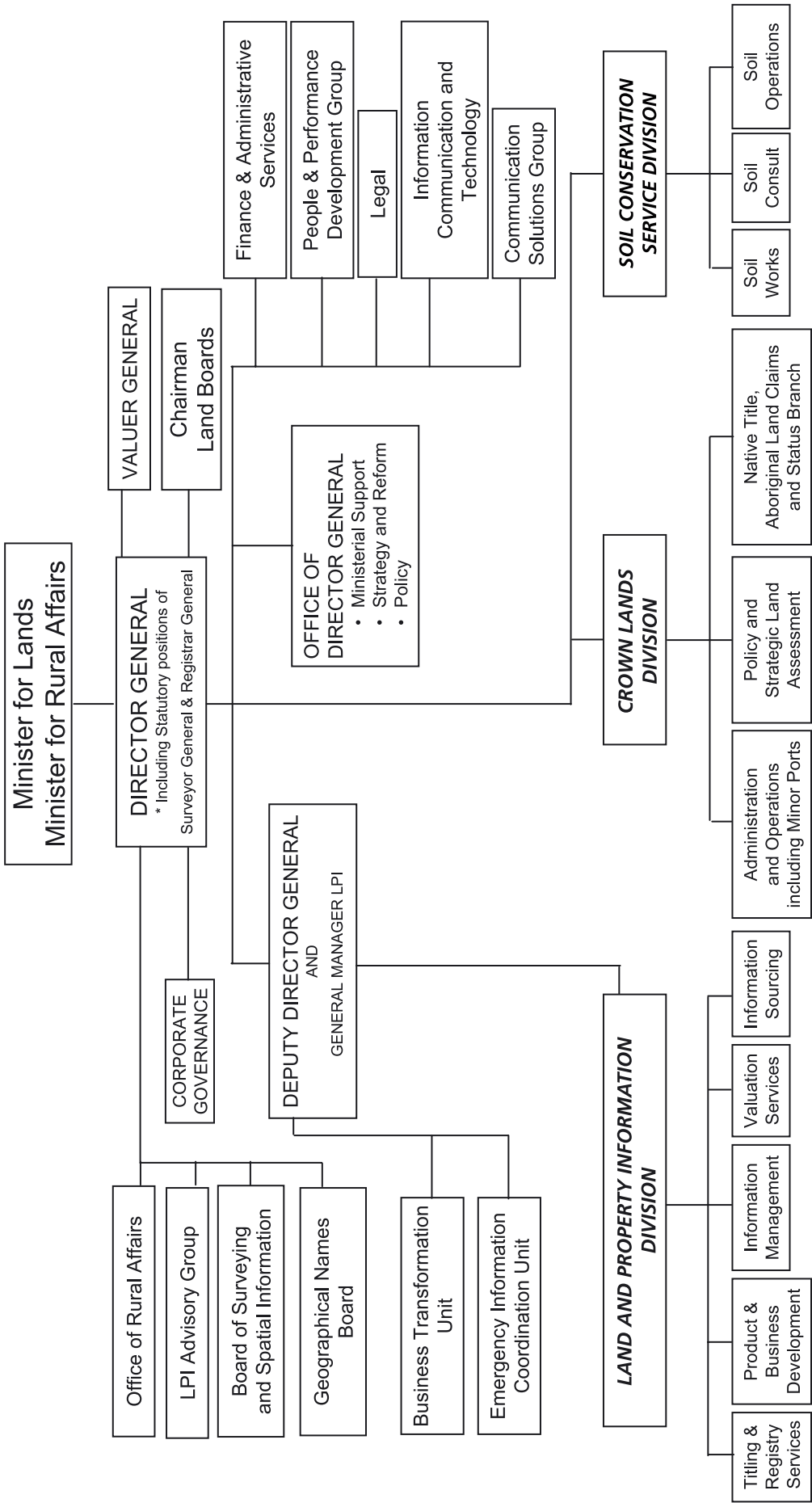
A 12 month research project in conjunction with the University of Western Sydney will be instigated to examine and improve various aspects of the valuation system, including the composition of valuation components; benchmark selection and review; and the improved application of qualitative statistical techniques.

Key performance outcomes period 1 July 2004 - 30 June 2005

Ratepayers	Target	Actual
<ul style="list-style-type: none"> % Notices of Valuation issued within 31 days 	95%	86.1%
<ul style="list-style-type: none"> % Notices of Valuation for general valuation issued to property owners by 16th January 2005 	100%	100%
Councils		
<ul style="list-style-type: none"> % general valuation land values issued to relevant Councils by 30th November 2004 	100%	100%
<ul style="list-style-type: none"> % supplementary valuations to councils within 31 days 	95%	95.4%
Office of State Revenue		
<ul style="list-style-type: none"> % objections to land tax assessment to be completed within 90 days 	50%	52%
<ul style="list-style-type: none"> % objections to land tax be processed within 180 days 	95%	81%
<ul style="list-style-type: none"> % objections to land tax, where land value is greater than \$1 million, within 120 days. 	95%	61%
<ul style="list-style-type: none"> % new land values issued for all property in NSW to OSR by 16 November 2004. 	100%	100%
Supplementary Valuations		
<ul style="list-style-type: none"> Total supplementary valuations issued 		46,806
<ul style="list-style-type: none"> Average days to complete 	< 95 days	82 days
<ul style="list-style-type: none"> Average number of days to return from Contractor 	< 45 days	27 days
<ul style="list-style-type: none"> % supplementary valuations returned from valuation contractor within 45 days 	95%	92%
Objections		
<ul style="list-style-type: none"> Number received: 		16,515
<ul style="list-style-type: none"> Number completed: 		10,179
<ul style="list-style-type: none"> Average number of days to complete 	< 90 days	116 days
<ul style="list-style-type: none"> % completed within 90 days 	90 %	52 %



Philip Western
Valuer General



Land and Property Information Division

Land and Property Information (LPI) provides mapping, titling, valuation, survey and related land information services to individuals, businesses, government agencies and non profit organisations throughout NSW, Australia and internationally.

LPI:

- sources information from organisations and individuals to compile maps, databases and registers of land and property information including information on locations, parcel descriptions, values, ownership, restrictions and financial interests;
- provides services to the Registrar General, the Surveyor General and the Valuer General who have responsibilities for administering various Acts of Parliament related to land administration including the Conveyancing Act 1919, the Real Property Act 1900, the Survey Coordination Act 1949, the Surveying Act 2002 and the Valuation of Land Act 1916;
- administers the systems which support the state guarantee of Torrens title;
- makes information available to the public and organisations for conveyancing, historical research, land development, land management purposes, for state economic and social development and for planning and providing government services to the community; and
- licenses, sells, exchanges or gives the data it collects to organisations or individuals, to facilitate the above purposes.

Services

Key services provided by LPI include:

- land title registration services on behalf of the Registrar General, including registration of plans of survey and property transactions, issue of Certificates of Title, and conversion of Old System land to Torrens Title;
- surveying services on behalf of the Surveyor General, including maintenance of official state control survey data, placement of permanent survey marks in the ground and determination of boundary disputes; and
- valuation services on behalf of the Valuer General, including valuation of land for local government rating and state government taxation purposes, determination of objections to land values and determination of compensation for dispossessed

landowners following compulsory government acquisition of land.

LPI also offers a wide variety of land and property information products and services available through various delivery channels ranging from traditional over the counter delivery through to online delivery via specialist portals and value added resellers. These include:

- digital and hard copy mapping products;
- satellite imagery and aerial photography;
- title searches and related documents;
- land value searches;
- property sales data;
- survey control information services;
- property information inquiry services; and
- international business services.

Customers

LPI products and services are available to the people of NSW as a whole. Regular customers come from three market segments: the property conveyancing industry, the land use planning and development sector and government agencies at state, local and federal levels.

LPI is concentrating more time and resources on identifying customer needs through independent surveys and structured interviews. Together with strategic workshops and external involvement in policy development, LPI has responded to significant changes in the external environment. This approach allows LPI to better service existing markets with improved products and services, and to optimise strategies to service new and emerging markets.

Senior Managers

Des Mooney, General Manager

Warrick Beacroft, Executive Manager, Information Sourcing

Ross Cleary, Executive Manager, Information Management

Barry Douse, Executive Manager, Production and Business Development

Simon Gilkes, Chief Valuer, Valuation Services

Doug Walsham, Executive Manager, Titling and Registration Services.

Report on Operations

Information Sourcing

Information Sourcing contributes to the maintenance of the NSW Spatial Data Infrastructure (SDI) and ensures it meets standards of currency, quality, content, coverage and accuracy. The term "infrastructure" is used to convey the idea that fundamental spatial data performs the same role as the more recognisable NSW physical infrastructure, such as major road and utility networks.

The SDI components, namely Cadastre, Topography, Survey, Geographic Names, Imagery and Addresses, need to be maintained similar to other government infrastructure. The NSW SDI provides a single and integrated view of the administrative, natural and built landscape of NSW and is a fundamental resource for emergency management.

Staff include surveyors, spatial information officers and administrative staff located throughout LPI's network of regional offices as well as offices in Queens Square, Sydney, and Bathurst. Survey services, mapping, aerial photography, and maintenance of topographical and cadastral data are managed within the Division.

Survey Services

LPI ensures that statutory requirements for survey practice are met and is responsible for providing and maintaining the state control survey network, a network of permanent survey marks.

One hundred and thirty five (135) survey audits were undertaken to authenticate the work of professional surveyors ensuring that recorded survey plans represent the title and physical characteristics of sites. In addition 16 Boundary Determinations were completed to resolve disputes between adjoining landowners over the location of a common boundary.

All Surveyor General's Directions were amended and/or enhanced during 2004/05. The Directions are available to users via the Lands Internet Site.

Thirteen thousand seven hundred (13,700) survey plans were monitored for Survey Control compliance under the Surveying Regulation 2001. Over 83% of survey plans used the Survey Control Network to gain orientation on the Map Grid of Australia (MGA). Two hundred & fourteen (214) Deposited Plans were requisitioned after plan registration because the survey geometry was not accurate.

One hundred and seventy three (173) exemptions from complying with certain parts of the Surveying Regulation 2001 were granted. Thirteen applications to defer the placement of survey marks were granted.

The Surveyor General as the verifying authority for length standards in NSW under the National Measurement Act 1960 is responsible for the calibration of surveyors' steel bands and provision of eighteen Electronic Distance Measuring (EDM) baselines throughout the State for the verification of surveyors' EDM equipment. During the year EDM baselines were verified at Bankstown, Bathurst, Bega, Dubbo and Ulan Coal Mine.

Survey Operations

Projects completed to supply survey control to external clients included:

- RailCorp GPS/GDA upgrade (Lidcombe to MacArthur).
- GPS adjustment service for external clients at Tomerong, Kangaroo Valley and Tumut.
- Surveys of Oyster Leases for NSW Department of Primary Industries.
- Ground Control Points for High Resolution Satellite Imagery: 456 points over forty five 1:100,000 map areas and 1060 points over one hundred and seventeen 1:100,000 map areas.

Survey Control work to upgrade precise GDA94 values of permanent survey marks was undertaken in the following local government areas: Greater Lithgow, Cowra, Blayney, Dubbo, Orange, Cabonne, Lake Macquarie, Maitland, Tweed, Nambucca, Newcastle, Port Stephens, Great Lakes and Taree.

Survey work was carried out west of Mungindi to re-establish the NSW - QLD border over an 80 kilometre section. A further 30 kilometre section along the west side of NSW - ACT border was restored after bushfires destroyed the majority of the existing border monuments.

Map control surveys were performed around Bathurst (camera calibration base), Inverell and Tamworth for the topographic mapping program.

Pen computer technology running geographic information system software, integrated with differential GPS systems, was used by several Councils in the Murray area to capture road centrelines and rural address points as part of the Rural Address Acceleration Project.

The survey program will focus over the next five years on improving the quality of the coordinates of the 60,000 ground marks that have been placed (mainly by the private sector) under survey regulations. These points are directly connected to the cadastre. More accurate coordinates will greatly assist the DCDB spatial data upgrade process.

State Control Network

During the year:

- 5,423 Control survey marks were issued.
- 8,821 new marks were added to the SCIMS database.
- 4,190 Heights were upgraded.
- 18,384 MGA Co-ordinates were upgraded from transformed values.

Survey Information

5,998 enquiries were services and 88,081 survey mark details provided.

Topographic Data

The Digital Topographic Database (DTDB) comprises digital data derived from the State series of topographic maps, enhanced by collection and maintenance of data from current aerial photography to provide a comprehensive topographical dataset covering NSW. It comprises six major themes: Transport, Hydrography, Habitation, Utility, Landform and Land Cover.

LPI completed 74 maps (17 new editions and 57 new series reprints) in 2004/05. 272 topographic maps were prepared for reprinting to meet Rural Fire Service requirements. Approximately 1,800,000 features were added or changed in the DTDB this year.

Aerial Photography (approximately 16,200 frames) was taken at scales from 1:25,000 to 1:50,000. In addition, special purpose photography was undertaken for DIPNR and TransGrid.

Cadastral Data

The Digital Cadastral Database (DCDB) comprises over four million polygons depicting the various interests and aspects of land administration. Included are over three million legal cadastral parcels of land, which represent the legal framework of land ownership in NSW together with 17 ancillary themes of information, such as Crown land, local government and electoral boundaries and easements.

In 2004/05:

- 49,804 new parcels were collected.
- 5 metes and bounds descriptions were written for altered Local Government Area and Local Aboriginal Land Council boundaries.
- Rural road name updates were made to the DCDB using data supplied by Councils.

- 4,392 cadastral parcels were investigated to resolve referencing issues identified in matching the DCDB with the Integrated Titling System (ITS). 1480 unidentified parcels have been given unique identifiers.

In July 2004 the Department began implementing new spatial technologies for the maintenance of the DCDB. The transition took until mid December during which time 21,000 jobs requiring DCDB maintenance action accumulated. Approximately 78% of these have been processed with the Department committing resources to ensure the currency of the DCDB is achieved within 9 days of plan registration by the end of August 2005.

Major Information Sourcing Projects

Geocoded Urban and Rural Address System (GURAS)

The GURAS project is building an authoritative, accurate and current geocoded address and road centreline dataset for NSW. Every urban and rural address will be linked to a geocoded access point, a property identifier and title identifier.

A baseline of some 3.5 million addresses has been created.

Rural Address Acceleration Project (RAAP)

The project continued this year to accelerate the implementation of Rural Addressing in New South Wales with the intention of completing the assignment of all rural addresses by 2007.

Under this initiative, assistance is provided to local councils in the form of draft property and road network maps, test and development licences for topographic data to assist council capture rural address points, loan of positioning technology equipment to capture rural address points in the field and funding assistance of \$10.00 per valid rural address. To date training has been provided to 118 local councils.

SydNET

The SydNET project is building a network of 10 permanently operating high quality Global Positioning System (GPS) reference stations with data links to a control, processing and data distribution centre at the Australian Technology Park (ATP). Seven stations have now been established with the addition of four this year at Villawood, Springwood, Cowan and Menangle.

SydNET will enable suitably equipped users (with a dual frequency RTK capable GPS receiver and mobile phone) operating in the coverage area to receive data processed from the combined GPS base stations and provide centimetre level positioning in real time.

SydNET will be used to improve the spatial accuracy of the Digital Cadastre Database (DCDB) and over time will replace the need to maintain a significant portion of the existing physical survey control infrastructure.

Spatial Maintenance System (SMS)

In 2001 LPI commenced a five-year spatial information strategy to maintain the value of previous investments and enhance the relevance and utility of its spatial data by:

- replacing outdated spatial technologies;
- re-designing production workflows and data models;
- introducing on-line access and distribution services for spatial data; and
- enabling interoperability for both internal and external environments through an open systems, standards-based approach.

Outputs to date include:

- a new, extended and populated topographic data model and database;
- a new, extended and populated cadastral data model and database;
- a redeveloped topographic data maintenance and mapping system based on the ESRI ArcInfo suite of software;
- a redeveloped cadastral data maintenance system based on the ESRI ArcInfo suite of software;
- a delivery database containing cadastral, topographic and address data;
- a road centreline dataset for NSW.

Outcomes for users of spatial information are:

- a data maintenance environment based on modern and well-supported technologies;
- more comprehensive datasets modelled with additional and extensible content;
- on-line access to all spatial information providing enquiry, viewing, publishing and data transfer services.

Through the next 12 months, activities will focus on the introduction of a cadastral proposal layer, cadastral spatial upgrade technology, an adjusted/realigned cadastral dataset for the metropolitan area and theme-based maintenance for certain topographic data.

Single Land Cadastre (SLC)

In April 2004 the Department of Lands and Sydney Water Corporation (SWC) signed a Memorandum of Understanding (MoU) to combine the cadastres of both organisations into a single authoritative cadastral dataset, the Single Land Cadastre (SLC).

In May 2005 the process of aligning the two cadastral datasets (LPI & SWC) commenced. The positional difference of the two datasets is analysed prior to alignment. Where significant differences occur, LPI data will be aligned initially to the position of SWC data to maintain relativity with SWC's infrastructure. Positional upgrade will be undertaken following analysis and the determination of survey control requirements. Polygon attribute accuracy will be enhanced through the comparison of the two datasets.

Acceptance testing of the SLC will be carried out in late 2005 to ensure that all data elements required by SWC are collected and stored effectively. Two way incremental real time data feeds will be tested and will include both individual plan updates and multi plan upgrades. Service level agreements will be put in place to ensure the effective long term viability of a Single Land Cadastre.

A proposed plan layer will be introduced to display areas where development is proposed, prior to plans reaching the registration stage. A proposed plan number allocation system is being developed which will allow registered surveyors to download "proposed" plan numbers from the department's website for inclusion on a proposed plan.

Specialist Spatial Services Units

Emergency Information Coordination Unit (EICU)

The EICU was established in 2003 to provide a common service facility to serve the needs of Emergency Services Organisations (ESOs) in NSW for spatial information to assist in planning, management and recovery from the effects and threats of natural disasters and terrorist attacks. Since its establishment, the Unit has successfully met a number of key business objectives on behalf of the Department of Lands and with guidance from State Emergency Management Committee (SEMC) members. Specifically, the Unit has:

- **Undertaken a review of emergency services sector requirements for spatial and other location-based data** and evaluated available delivery options for this information, both short and long term. It was found that while the sector was very much aware of the value and need to share spatial information, no suitable infrastructure existed to coordinate its collection and delivery requirements.

- **Established a large network of spatial data suppliers and users.** The EICU made contact with the major agencies in the emergency services community and established itself as the conduit for their spatial information needs. The Unit's main client groups include the State Emergency Operations Committee (SEOC), Emergency Services Organisations (ESOs), NSW Police, NSW Health, NSW Department of Energy, Utilities and Sustainability (DEUS), emergency support agencies and utilities, local and district emergency managers, federal agencies, interstate agencies and private organisations.
- **Established relationships within user organisations at all levels - from senior and middle management through to data handlers,** to ensure a consistent approach to data management, exchange and application is maintained within the emergency services sector.
- **Established the largest spatial data library ever assembled for emergency management purposes in Australia,** the NSW Spatial Information Library for Emergency Management and Critical Infrastructure (EM/CI). The library provides the necessary infrastructure to enable spatial information to be shared among and delivered to ESOs and the SEOC for the purposes of emergency management.
- **Laid the foundations for interoperability in information delivery** within the emergency management sector.
- **Achieved a 'whole of government' approach to spatial information sharing and delivery** in the emergency management sector.

In meeting these objectives, the EICU engaged with the emergency services community in a number of pilot projects and other developments.

The centrepiece of this body of work has been the creation of the NSW Spatial Information Library for EM/CI.

Electoral Mapping Unit

LPI provided technical and mapping support for the NSW 2004 Electoral Boundary Redistribution. 97 Index Maps and related data were compiled for the Commissioners' report and for posting on the State Electoral Office Website.

Information Management

LPI is in the business of information, and is increasingly dependent on information management (IM), and technology. The IM Unit directs and manages key LPI IM business related projects. Other activities include:

- managing all aspects of LPI's acquisition of IT services and related Service Level Agreements;
- managing product management and product development roles within LPI;
- determining the strategic direction, and implementation, of LPI's data conversion activities;
- providing strategic advice on electronic conveyancing; and
- managing electronic communication channel development.

LPI Conversion Project

A key IM initiative initiated in late 2004 is the Conversion Project.

The essential feature of the Torrens System is a State guaranteed title, proved by one document, which can be relied upon by anyone dealing with land, and for which conveyancing procedures are simpler and less costly. Accordingly, successive Governments have pursued a policy of converting all land to the automated Torrens System. There are still 15,000 Old System parcels and 66,000 manual titles to be converted to the Integrated Titling System (ITS).

LPI has embarked on a project to convert all of these remaining titles to ITS within two years, at a total capital cost of \$6 million. The project, which commenced in December 2004, has seen more than 60 staff members seconded from operational areas into a Conversion Team, managed by LPI's Information Management Unit. Two years was considered an appropriate period for the project in that:

- It is achievable;
- It gives a strong unambiguous and temporal focus to the project;
- It allows the project to take advantage of skilled and experienced resources that may not be available in the future; and
- It will facilitate LPI's participation in a National Electronic Conveyancing System.

Unique to the project is that it features compulsory conversion of Old System Land, in accordance with the Registrar General's powers, for the first time.

Conversion of Old System parcels and manual Torrens titles is proceeding at a rate that meets the project's key indicators at this time. No major obstacles are envisaged, and it is expected that the Project will be completed on time and within budget by December 2006.

7,497 Old System and Manual Torrens Title parcels were converted to the computerised Integrated Titling System during the current reporting year.

Enhanced and/or new electronic services introduced in 2004/05

Recent initiatives implemented include:

- A Local Government portal has been implemented, with all 153 Councils having signed an agreement to participate. Total searches through the portal are averaging 360 per day.
- A Land Value Search facility, at the request of the Office of State Revenue (OSR) to assist their clients in dealing with the new land tax regime; the search provides customers with online details of the current land value of a property.
- Government agencies are now receiving details of changes in ownership, etc, to properties in which they hold an interest, automatically and electronically.
- Valuation and sales data is now being sent to Valuation contractors and agencies automatically and electronically.
- Conversion of those Old System and manual titles in which authorities participating in the Central Register of Restrictions (CRR) have an interest, The implementation of Water Access Licences (WALs) in ITS, and online searching of WALs.
- Commencement of scanning of plans held in the Bridge Street Plan Room. The Bridge Street plan room contains a million unique original hard copy maps and survey records of the NSW Surveyor General, which date from the commencement of European settlement. Information in the plans is still currently used for survey practice and other areas of business in NSW. To improve the delivery of electronic data, these hard copy mapping records will be stored as electronic images and delivered to clients on demand in electronic formats. A program of conservation and preservation under the supervision of a professional conservator will also be incorporated into the project.
- Implementation of Electronic Data Interchange with Councils, which enables Local Councils to

more easily create property address and address for service of notice (ASON) files for supply to LPI in a format that complies with the Australian standard. The facility also allows for Councils to provide new or changed addresses from a certain date only, rather than having to re-supply all address data.

Production & Business Development

This business area identifies, develops and pursues new markets and products for LPI. Business development managers located within the unit coordinate services to state and local government agencies, the commercial and professional sector, retail customers and interstate and overseas customers. The unit also manages the identification, planning and delivery of major new initiatives in service and systems improvement as well as mass production of existing information products.

Customer Relationships

LPI maintains ongoing consultation arrangements with a range of industry sectors impacted by its products, services and delivery channel arrangements, including the conveyancing sector, the planning and development community, and government departments and authorities. Liaison meetings and industry events are supported by communications programs providing access to material describing project developments, practice changes, and issues relevant to industry and government clients.

Regular consultation forums and participation in industry seminars and events provides opportunities for LPI to inform industry participants of product, service and legislative changes, promote opportunities for product and service development, and canvass industry and government client requirements and priorities for business process improvement and other capital investment initiatives. Regular activities undertaken during 2004-05 included:

- ongoing consultation with conveyancing industry participants in the progress of the electronic conveyancing in NSW project, including establishment of the information portal www.lands.nsw.gov.au/ECNSW
- ongoing operation of the Lodgments Industry Working Party, providing representative industry input to lodgments business process changes and implementation, including the rollout of upgraded invoicing and payment arrangements for Titling and Registry Services customers

- continued regular liaison with peak industry bodies including the NSW Law Society, Institution of Surveyors NSW and Association of Consulting Surveyors, addressing practice changes and industry priorities and concerns in the conveyancing, planning and development sectors
- regular engagement with LPI's service delivery channel partners including Information Brokers and Value-Added Resellers in relation to the effective delivery of titling, property and spatial information products and services to the commercial, government and broader communities
- ongoing engagement with NSW survey practitioners through the surveyor liaison program, providing regional survey groups with presentations on subjects relevant to regional issues and continuing professional development
- presentations to other land management and development groups including events and seminars for legal, valuation and real estate professionals, and local government and rating authority agency personnel and associations
- engagement with local government sector representatives in development and implementation of the Local Government Portal land and property information service.

LPI signed a Service Level Agreement (SLA) with the Office of State Revenue in late 2004. The SLA is designed to drive the delivery of high-quality services and establishes new monitoring and reporting systems.

This year LPI increased its commitment to improving relationships with local government through the establishment of a dedicated local government business unit. Agreements have been reached with all Councils regarding textual data delivery and surveys on their spatial and electronic service delivery requirements have been carried out. Communication with Regional Organisations of Councils and other representative bodies such as the Local Government Managers Australia has also increased.

Pricing of products and services

In 2004, LPI reviewed and restructured the prices of its products and services effective from July 2004. The restructure was designed to achieve four objectives:

- price services to account for operating costs including superannuation and other risks;
- produce sufficient profit to allow a reasonable return to government;
- reduce operating costs by encouraging customers to use low cost options; and
- correct price anomalies.

Market Research

Since late 2002, LPI has engaged external market research agencies to assist in determining its customers' needs for particular product or service areas.

Market research projects are identified from the following key sources:

- LPI's channel and product management plans;
- LPI's Capital Works Program; and
- strategic workshops.

An independent research agency was engaged to capture customer and staff opinions and expectations about LPI's direction towards Electronic Services Delivery (ESD). Over 150 customers and 30 staff were interviewed during December 2004.

Analysis of the results show that the key areas to be addressed for both customers and staff are:

- Integration and/or better linking of our property information and systems - and achieving usability and ease of navigation at the same time;
- Earlier involvement in our ESD product development phases; and
- More frequent communication about ESD progress and initiatives, and products and services.

In particular, maintaining datasets will be a key challenge as the results indicate a perception that ESD means that data is accurate, complete and regularly updated.

Overall, the research verified LPI's ESD direction - it will meet the needs of most customers and staff, especially those requirements concerning:

- Reliability;
- Speed; and
- Ease of use ie simple and convenient.

The market research program for the next twelve to eighteen months continues to be directly aligned to LPI's business priorities and capital investment. In particular, it is planned to engage customers and staff much earlier in the development phases of product and delivery channels, so there will be a greater emphasis on piloting applications.

International Business

LPI continues to assist with the many inquiries that come from other jurisdictions both in Australia and overseas. The main activity now undertaken involves receiving delegations from other land agencies keen to gain a better understanding of LPI's strategic business direction, innovative solutions to business problems and application of new technologies visit LPI.

International initiatives undertaken in 2004-2005 were supplying land information and administration consultancy services to support internationally funded programs in developing countries including Laos and the Philippines.

Ten senior delegations were received during the year with over 100 delegates. Senior officials at director level or above led each delegation. These organisations provide services similar to LPI and their visits provided an opportunity to benchmark services provided by LPI. Delegations were primarily from South East Asia including China, Korea, Singapore, Korea and Samoa.

Property Information Services Branch

Property Information Services (PIS) Branch manages the production and delivery of land and WAL title searches, plan and dealing images and other title related documents sourced from LPI's datasets. PIS also manages secure printing facilities, document return, image capture and Notice of Sale collection.

The Image Capture Section scans all newly registered plans and dealings and other land related documents on a daily basis and stores them on the Document & Integrated Imaging Management System (DIIMS) for retrieval and delivery.

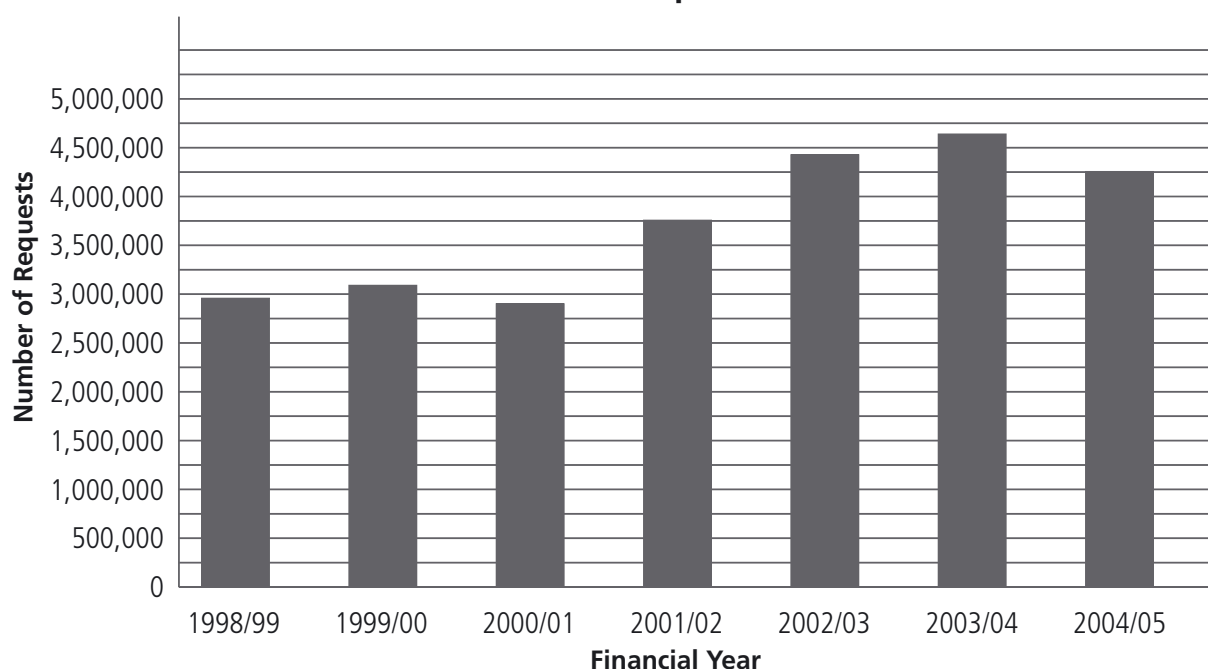
In 2004/2005 16,494 Deposited Plans, 2,401 Strata Plans and 7,926 associated documents together with 838,681 dealing images were loaded to DIIMS and made available for electronic access and service delivery. Approximately 87% of information requests are satisfied through online delivery channels sourced from DIIMS and ITS.

Traditional over the counter information services to the conveyancing community and the public remain available at LPI's Queens Square office, the majority of requests being processed within 15 minutes.

In 2004/2005 demand for over the counter information has fallen by 10%. A total of 4.253 million requests were satisfied, 3.968 million of these online. The graph below indicates patterns of demand from 1998/1999 to the present.

In August 2004 the Branch implemented new access arrangements for owner inquiry searches conducted over the counter at Queens Square. The new arrangements are designed to ensure that such searches are carried out for legitimate purposes, and are consistent with the provisions of the Privacy and Personal Information Protection Act 1998.

Property Information Services Requests Documents and Computer Folios



Property Information Inquiry Service (PIIS)

PIIS is a commercial business enterprise operated by LPI. The service enables the public to use a centralised point and a single inquiry form to obtain certificates and clearances for conveyancing purposes from nominated government and semi government authorities that may have an interest in any specified land parcel.

PIIS collects and distributes the applications for clearances and certificates directly to nominated authorities together with the fees set by the authorities and paid by the clients to LPI. A small handling fee is levied by LPI on users of this service. In 2004/2005, PIIS Applications processed averaged 88.4 per day with an annual total of 22,280, a decline of 35% from last year, attributable to the end of the property boom.

Graphic Services Branch

Graphic Services Branch produces maps, charts, stationery, photographic enlargements, contacts, diapositives, digital scanning, films, bookbinding, electronic publishing, graphic design, dyelines, colour and black and white copying, laminating, and map framing and mounting. Departmental forms, brochures, reports, catalogues and guides are also printed.

The new large format printing press and Computer to Plate direct imaging along with FM screening and dot for dot reproduction acquired during 2003/04 has enabled large volume increases in maps produced and other printed products.

This year saw a large increase in the numbers of reprint Topographic maps required to provide the Rural Fire Service with maps for future emergency events. Overall there was an increase in printing projects while the average number of copies required per project continued to drop.

Graphic Services:

- Continued to produce valuation notices for distribution to ratepayers.
- Produced commercial mapping for State, Commonwealth, and other government agencies, as well as private contractors
- Digitally captured land title related hard copy charting maps. A number of other digital capture projects are under way aimed at providing better access to Departmental data including the capture of the Sydney plan room.

Major Production Indicators

	02/03	03/04	04/05
Map Published Impressions	2,256,420	1,215,900	3,647,750
Aerial Contact Prints	51,468	64,500	65,116
Aerial Enlargements	2,010	1,692	1,651
Proofs	1,057	1,222	946
Plates	3,428	4,271	4,661
Folded Sheets	2,632,140	1,560,012	3,705,106
Printing Impressions	7,337,844	6,291,147	8,704,402
Number of Printing Projects	565	494	845

Titling & Registry Services (T&RS)

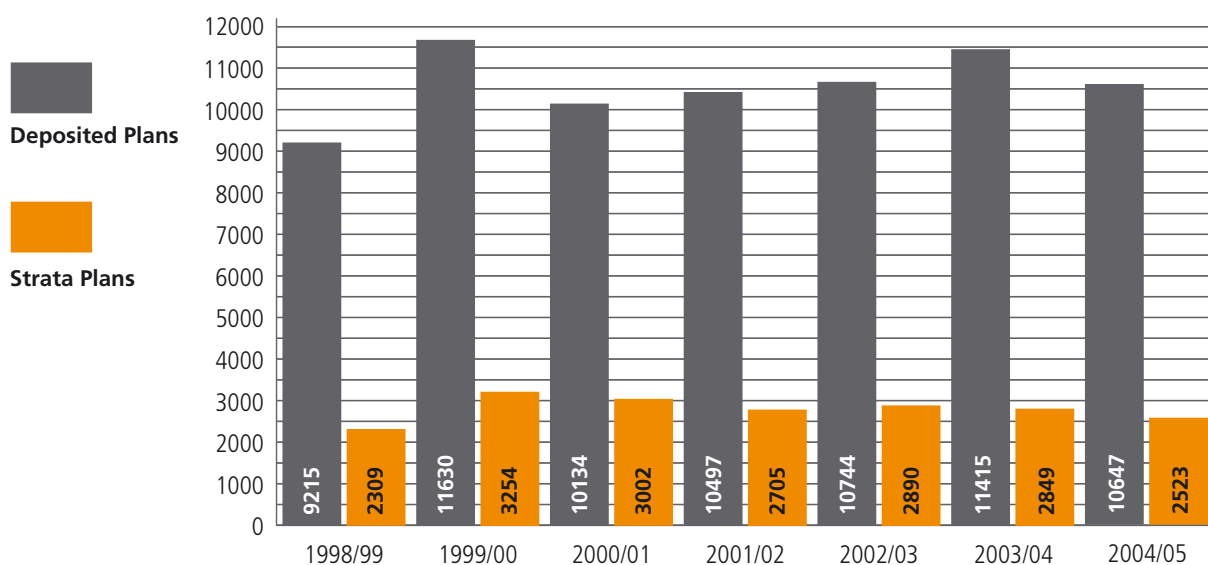
The Division's primary functions are:

- To examine and register new plans to establish new boundary definitions and to create titles for lots in these plans; and
- To examine dealings (documents evidencing Torrens title land transactions) and deeds and record dealings in the Torrens Register.

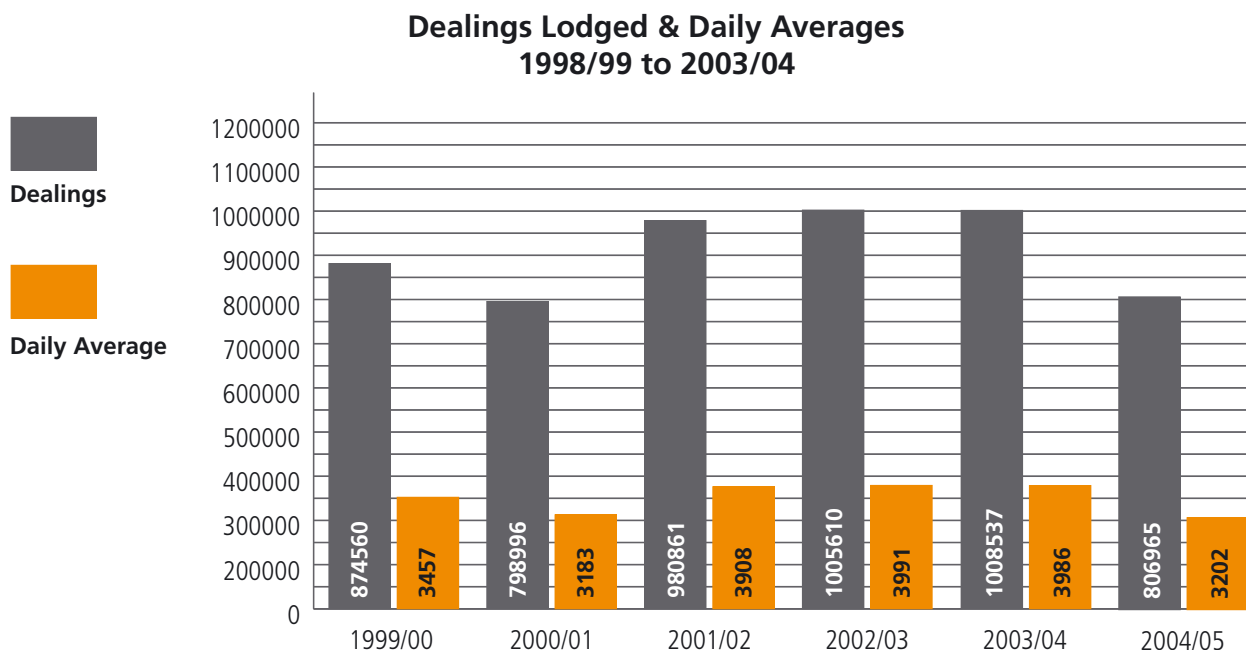
Overall, business volumes declined during 2004-2005:

- Deposited plan lodgements for the year decreased 6% over 2003/2004. Strata plan lodgements decreased by 11%.
- 7% of deposited plans and 14% of strata plans were pre-examined.
- 6% of deposited plans and 2% of strata plans were lodged using the e-plan facility.
- 70,631 new titles were created in the financial year. Of these 42,883 were created from deposited plans and 27,748 were created from strata plans. This is a decrease of 10% for strata lots and 8% for cadastral lots. Overall the number of lots created remained static compared to the previous year.
- There were 9,573 deposited plans and 2,398 strata plans registered in the financial year.

**Deposited Plan and Strata Plan Lodgments
1998 to 2005**



Dealing lodgments have fallen approximately 20% from 1,008,537 in 2003-2004 to 806,965 in 2004-2005. The graph below shows the trend in dealing lodgment activity from 1999/2000.



Recruitment Program

Titling & Registry Services (T&RS) recruited thirteen Titling Officers in February 2005. The officers will undertake a two year rotational training and development program in the Queens Square office. They have also commenced formal TAFE studies to qualify for Certificate III in Spatial Information Services.

Client education

Seminars targeting professional strata managers and other related industry professionals are presented regularly by T&RS staff. The seminars are conducted at the Department's Sydney office and at various locations throughout NSW. During 2004/2005 over 366 participants from across the industry attended.

Cadastral Integrity Program

This program aims at preserving the integrity of the cadastre and guarantee of land titles while providing feedback on industry performance. LPI undertakes random field audits of recently registered Strata Plans and provides the Board of Surveying and Spatial Information with industry results.

During 2004/2005 LPI conducted field audits on 145 plans prepared by 90 surveyors across 20 different local government areas. Results of these audits have been presented to regional surveyor groups, Country surveyors, Remote surveyors, Qld institute, RTA Surveyors and Canberra Group- totalling over 500 surveyors.

Major T&RS Projects

Progressing a National Approach to Electronic Conveyancing

Following public consultation in 2004 on the prospects for introducing electronic conveyancing in NSW and strong feedback from the legal profession and major banking institutions that a national approach was necessary, LPI is working closely with State and Territory jurisdictions to implement a national solution.

Late in 2004 Lands entered into an agreement with its counterpart in Victoria on the principles to be applied in developing a roadmap to a National Electronic Conveyancing System. This work is leading the definition of a national approach that will meet the needs of all government and industry stakeholders.

All jurisdictions and major industry stakeholders are committed to a national approach to electronic conveyancing and the prospects for achieving a national system in the foreseeable future are very positive.

ePlan

ePlan became generally available for use by the surveying industry from 1 June 2003. As at 30 June 2005, 250 users have been granted access to ePlan and 104 individual surveyors are approved to lodge for registration. During this reporting period 1045 plans were lodged via the ePlan facility.

Enhancements to the ePlan website and interfaces to ITS and DIIMS enabled the first fully automated electronic lodgment in October 2004. Principally supporting LPI's titling function the ePlan facility is available 7 days a week from 6.30 am to 11.00 pm.

The original concept for ePlan was to include supply of 'intelligent' plan geometry. This data will ultimately be used for quality assurance and automated update of the State's digital cadastre. During 2004/2005 LPI participated in an Intergovernmental Committee on Surveying and Mapping (ICSM) working group to develop an Australasian data transfer standard for cadastral survey plan data.

The ICSM model is aiming to produce a generic LandXML data export/import format for plan data that will allow for jurisdictional specific elements to be added.

The model will include all of the survey (including geometry), administrative and titling data required to process a plan from lodgment to registration and DCDB update.

LPI is currently mapping plan related processes and data contained in plans to the ICSM standard and identifying NSW specific item requirements for the NSW schema.

Government Property Register (GPR)

LPI is currently redeveloping the GPR to achieve a reliable, comprehensive, accurate and easily accessible register of all NSW Government Property including Crown Land.

A redeveloped GPR will deliver whole of government benefits by providing an integrated data source combining data from individual owner agencies with data from the Department of Lands to give a total picture of the State's land holdings. When fully implemented, all agencies will be able to conduct online searches of the GPR and obtain text based or spatially referenced search results.

A broad market research study has identified a range of user requirements common to many agencies. Subsequent detailed consultations with central reporting agencies and a number of other large property portfolio agencies have provided more detailed understanding of their particular user requirements.

LPI is now undertaking the final steps necessary to improve the GPR's performance and capability by upgrading its core functionality to reflect external agency user requirements, Departmental business requirements and GPR management requirements, and to close remaining content and quality gaps in information.

Water Access Licence Register (WAL)

The WAL Register commenced in July 2004 and is maintained by LPI on behalf of the Department of Infrastructure, Planning and Natural Resources (DIPNR) under the Water Management Act 2000. The fully computerised WAL Register is accessed through ITS in a similar manner to the Torrens Title Register and provides

for the registration of various transactions affecting a Water Access Licence.

The WAL Register currently holds over 9,000 licences and is continually expanding with the receipt of new licence data from DIPNR. The Register will eventually hold all Water Access Licences issued in NSW.

Moving Forward Program (MFP)

The objective of MFP is to secure increased efficiency and accountability in dealing lodgment and registration practices and to introduce improved fraud protection measures and service enhancements. The context is to deliver benefits ahead of the implementation and consistent with the principles of electronic conveyancing.

Invoicing and Payments project

The Invoicing and Payments project started as a T&RS project to address financial compliance and operational issues being experienced with invoicing and payment activities for ITS (Integrated Titling System) and POS (Point of Sale) related transactions.

It was identified that the enhancement of systems to meet T&RS business requirements had a wider impact across LPI and there were other areas of the business that would benefit from the planned enhancements. These broader business benefits resulted in an expansion of the project to integrate four key Lands IT applications; ITS, POS, SAP and network environment. The project was originally scheduled for completion by 30 June 2004, but additional work required meant that implementation was deferred until 1 November 2004.

Identity Verification

New identity verification procedures in relation to applications for replacement certificates of title were implemented in December 2004. The procedures apply to private persons and companies who require a new certificate of title to replace one that has been lost, destroyed, stolen or damaged to the extent that its authenticity cannot be verified, and where no mortgage or charge is registered on the title. Under the new procedures, applicants or their agents are required to provide evidence of their identity in the form of passports, drivers' licences, etc which can be validated by relevant authorities. The new procedures have been put in place to minimise the risk of identity fraud that may lead to fraudulent dealings in land. In the longer term the procedures will be extended to other types of dealings registered by LPI.

Current projects being implemented under MFP are:

Document Presentation Strategy

The purpose of this project, initiated in May 2005, is to develop a strategy that will facilitate generation of paper

instruments suitable for ready conversion to electronic instruments for subsequent electronic examination and automated registration consistent with current and proposed legislative, industry and registry requirements for electronic conveyancing. The project is the successor of the forms design and standardisation of forms components of the Moving Forward Project. It was determined during these earlier projects, that forms and the way that they are created and distributed, will have to be changed to meet the emerging needs of operating an efficient paper lodgment process in parallel with an electronic lodgment system.

In response to these issues, the old strategy of forms delivery by licensed form distributors and licensed in-house production is to be replaced by a new concept of document presentation, which meets four objectives:

- paper instrument requirements consistent with electronic instrument requirements
- simple conversion of paper instruments into electronic instruments
- efficient and appropriate means of making approved form forms available to industry
- cost-effective means of ensuring only approved form forms are used by industry.

Electronic Examination

The aim of this project is to develop an automated system to be used for the automated electronic examination of dealings prior to automated registration. This project involves a detailed examination of the dealing examination process to determine, define, categorise and record the business rules applicable by an automated system to the dealing examination process. The system developed will be used for the validation of digital data obtained from electronically prepared and lodged dealings or those converted from paper. The electronic examination system may also be employed for the validation of dealings prior to electronic lodgment. It is a substantial project requiring extensive investigation and analysis prior to any systems development work.

Automatic Registration

This process acts as the end point of electronic lodgment and electronic examination processes that will administer the registration of dealings with little or no staff intervention. Once electronic lodgment and electronic examination have been developed automatic registration should be a relatively simple end point. This project will involve the development and application of business rules for the automatic passing of the data validated by the electronic examination system to ITS to achieve registration of the dealings.

Workflow Management

This project involves identifying requirements for electronic document workflow management as an aid to existing electronic and hardcopy plan lodgment processes, and the paper and future electronic lodgment of dealings and associated requisitions and invoicing.

Lodgment work processes and existing information flow models and already been documented as a part of the project. Workflow solution requirements have also been documented. The next step is to investigate solution opinions.

Valuation Services

Role of Valuation Services

Primary functions of Valuation Services include determining land values and maintaining the Register of Land Values on behalf of the Valuer General.

Types of valuations include:

- Rating and Taxing General Valuations
- Just Terms compensation determinations
- Supplementary Valuations
- Special Valuations

The Chief Valuer is responsible for the management of the Valuation Services area and providing services under the Service Level Agreement between the General Manager, Land and Property Information and the Valuer General.

Performance in 2004/2005

During 2004/2005 Valuation Services issued over 648,731 Notices of Valuation for rating purposes in 47 local government areas throughout New South Wales.

A total of almost 2.4 million land values were issued to the Office of State Revenue for the 2005 land tax year with an additional 47,000 supplementary valuations completed following changes to properties or at the creation of new lots.

Pursuant to the Valuation of Land Act 1916, landowners issued with a valuation in writing may object to that valuation. In 2004/2005, a total of 16,515 objections were registered. Of the 10,179 objections determined in 2004/2005 approximately 29% were upheld.

Maintenance of the Register of Land Values is a major activity within Valuation Services. During 2004/2005 approximately 412,000 property legal descriptions, 358,000 property addresses and 257,000 addresses for service of notices were created or updated within the Register. Substantial work was also directed to improving the quality of data within the Register. The number of

property records without areas recorded in the Register was reduced by 200,000 (or approximately 50%). Unformatted property descriptions were decreased by 70,000, and outdated lot plan details were reduced by approximately 11,600. These figures represent approximately 25% improvements in both of these measures. This data cleansing will improve searching capabilities and will streamline register maintenance by improving automated match rates within the database for sales details and new subdivisions.

In accordance with the Land Acquisition (Just Terms Compensation) Act 1991, the Valuer General has responsibility for determining the amount of compensation to be paid to a former owner of land following a compulsory acquisition by government. In 2004/2005, 211 determinations of compensation were made for compulsorily acquired property.

Projects for 2004/2005

Achievements in 2004/2005 were largely influenced by changes to the land tax system for the 2005 land tax year.

Objection processing was streamlined with the introduction of the requirement for objections to be lodged on a standard objection form. This requirement was made by amendment to the Valuation of Land Act 1916.

The objection process was also made more efficient with the development of a 3 staged objection reporting procedure and the objection screening process where objectors are given the best opportunity to provide appropriate information for the Valuer determining their objection.

A Statewide Valuation Contractor panel was established for the provision of Valuation Services for the Valuer General. The panel was established by tender process, so that the Valuer General may select appropriate valuers from the panel to undertake specified valuation services. These services include:

- Just Terms Valuations
- Valuation advisory services
- Objection briefing services.

The panel has proved beneficial in addressing the large numbers of objections received to the 1 July 2004 base date valuations that were issued this reporting year, with approximately 6,000 objections being contracted to contract valuers in 2004/2005.

A Land Value Search facility on the Department of Lands Website was introduced to give members of the public better access to their land values. The land value search provides property details and valuation information and was offered free of charge for land owners for the 1 July 2004 land value, with a fee payable for all other searches.

Valmap

Development of a system that links spatial information and valuation information commenced in 2004/2005. This system known as 'Valmap' is expected to improve the quality of valuations by providing a graphical representation of land values for comparison. Valmap will be used by LPI valuers and contractors as a tool to assist information access and may provide meaningful representation of land values to the public in the future.

Projects for 2005/2006

Valuation Services is committed to maintaining a strong focus on improving the quality of valuations in the next year.

- Introduction of Valmap to LPI and Contractors within the reporting period.
- Project on statistical reporting to improve efficiency in contract management and foster consistency in valuations prior to the approval of the 1 July 2005 land values.

Improved delivery and transparency of valuation information to the public through:

- Development of the objection manager in Valnet to enable more effective communications regarding objections to the public.
- Redesign of Notice of Valuation providing more information to the public
- Enhanced valuation information available on the Department of Lands Website.



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

Land and Property Information New South Wales

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of Land and Property Information New South Wales:

- (a) presents fairly the Land and Property Information New South Wales' financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with sections 45E and 45EA of the *Public Finance and Audit Act 1983* (the Act).

My opinion should be read in conjunction with the rest of this report.

The Director-General's Role

The financial report is the responsibility of the Director-General of the Department of Lands. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Director-General in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Director-General had not fulfilled his reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of Land and Property Information New South Wales,
- that Land and Property Information New South Wales has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



S R Stanton CPA
Director, Financial Audit Services

SYDNEY
24 October 2005


DEPARTMENT OF LANDS
LAND AND PROPERTY INFORMATION NSW


Financial Statements for the year ended 30 June 2005

Pursuant to section 45F (1B) of the Public Finance and Audit Act 1983, I state that:

- (1) the accompanying financial statements exhibit a true and fair view of the financial position of the Land and Property Information NSW, a business unit of the Department of Lands as at 30 June 2005 and the transactions for the year then ended.
- (2) the statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit Regulation 2000 and the Treasurer's Directions.

Further, I am not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.


W. Watkins
Director General
Department of Lands 20.10.05


D. Mooney
General Manager
Land and Property Information 20/10/05


B. Costello
Acting Director, Financial Services
Department of Lands

Date 20 October 2005

LAND AND PROPERTY INFORMATION NSW

Statement of Financial Performance

For the year ended 30 June 2005

	Notes	Actual 2005 \$'000	Actual 2004 \$'000
Revenues from ordinary activities			
Sale of goods and services	3(a)	133,873	129,844
Investment income	3(b)	3,031	3,324
Grants and contributions	3(c)	12,668	12,410
Other income	3(d)	2,096	2,714
(Loss)/profit from sale of non-current asset	5	(302)	110
Total revenues from ordinary activities		151,366	148,402
Expenses from ordinary activities			
Operating expenses			
Employee related	4(a)	52,905	69,543
Other operating expenses	4(b), 5	25,821	25,639
Maintenance		2,662	2,474
Depreciation	4(c)	11,141	9,941
Grants and subsidies	4(d)	284	324
Borrowing costs	4(e)	536	278
Other expenses	4(f)	308	1,465
Total expenses from ordinary activities		93,657	109,664
Profit from ordinary activities before income tax equivalent		57,709	38,738
Income tax equivalent	4(g)	6,179	11,621
Net profit from ordinary activities after income tax equivalent		51,530	27,117
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS.	16	51,530	27,117

The accompanying notes form part of these statements.

LAND AND PROPERTY INFORMATION NSW

Statement of Financial Position

As at 30 June 2005

	Notes	Actual 2005 \$'000	Actual 2004 \$'000
ASSETS			
Current Assets			
Cash	7	44,154	67,004
Receivables	8	8,162	6,991
Inventories	9	349	330
Other	10	4,868	1,321
Total Current Assets		57,533	75,646
Non-Current Assets			
Inventories	9	1,396	1,306
Property, Plant and Equipment	11		
Land and Buildings		49,342	48,207
Plant and Equipment		34,918	31,705
Total Property Plant and Equipment		84,260	79,912
Total Non-Current Assets		85,656	81,218
TOTAL ASSETS		143,189	156,864
LIABILITIES			
Current Liabilities			
Payables	13	36,191	37,479
Interest Bearing Liabilities	14	-	446
Provisions	15	8,008	8,167
Total Current Liabilities		44,199	46,092
Non-Current Liabilities			
Interest Bearing Liabilities	14	-	2,323
Provisions	15	32,249	67,435
Total Non-Current Liabilities		32,249	69,758
Total Liabilities		76,448	115,850
Net Assets		66,741	41,014
EQUITY			
Accumulated Funds	16	66,741	41,014
Total Equity		66,741	41,014

The accompanying notes form part of these statements.

LAND AND PROPERTY INFORMATION NSW

Statement of Cash Flows

For the year ended 30 June 2005

	Notes	Actual 2005 \$'000	Actual 2004 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		132,802	131,795
Interest received		3,558	2,360
Other		19,052	18,405
Total Receipts		155,412	152,560
Payments			
Employee related		(91,406)	(83,820)
Borrowing costs		(536)	(278)
Other		(44,710)	(36,793)
Total Payments		(136,652)	(120,891)
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	18,760	31,669
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Land & Buildings, Plant & Equipment		20	660
Purchases of Land & Buildings, Plant & Equipment		(15,812)	(13,246)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(15,792)	(12,586)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings and advances		(2,769)	(160)
Dividend paid		(23,049)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		(25,818)	(160)
NET INCREASE (DECREASE) IN CASH		(22,850)	18,923
Opening cash and cash equivalents		67,004	48,081
CLOSING CASH AND CASH EQUIVALENTS	7	44,154	67,004

The accompanying notes form part of these statements.

LAND AND PROPERTY INFORMATION NSW

Notes to the Financial Statements For the year ended 30 June 2005

1. REPORTING ENTITY

Land and Property Information New South Wales (LPI) is a non budget dependent commercial entity within the Department of Lands. LPI provides integrated land and property information services to the Government and community of New South Wales.

In compliance with section 45E of the Public Finance and Audit Act 1983 and Treasury directives separate audited financial statements are provided for LPI.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

LPI's financial statements are a general purpose financial report which has been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views;
- the requirements of the Public Finance and Audit Act 1983 and Regulations.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncement of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

Except for certain land, buildings and plant and equipment, which are recorded at valuation, the financial statements are prepared in accordance with the historical cost convention.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency. The accounting policies adopted are consistent with those of the previous year.

b. Revenue Recognition

Revenue is recognised when LPI has control of the good or right to receive, it is probable that the economic benefits will flow to LPI and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below:

(i) Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services ie, user charges. User charges are recognised as revenue when LPI obtains control of the assets that result from them.

(ii) Investment Income

Interest revenue is recognised as it accrues.

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(iii) Grants and Contributions

Grants and contributions are recognised in the financial statements when received.

c. *Employee Benefits*

(i) Salaries and Wages, Annual Leave, Sick Leave and On-costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and vesting sick leave are recognised and measured in respect of employees' services to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(ii) Long Service Leave and Superannuation

LPI is responsible for the long service leave and all superannuation liabilities for its employees and these are fully recognised in the financial statements.

The long service leave liability is measured using the present value method based on the actual remuneration rates for all employees with five or more years of service.

LPI contributes to the employees' superannuation entitlements under the State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS) and State Authorities Non-Contributory Superannuation Scheme (SANCSS) and pays the contributions to Pillar Administration and employee nominated funds. These payments are applied towards the accruing liability in respect of employees and are charged to expenses.

The superannuation liability under these schemes has been adjusted to reflect the liability as assessed by Pillar Administration (Note 15).

d. *Borrowing Costs*

Borrowing costs are recognised as expenses in the period in which they are incurred (except where they are included in the costs of qualifying assets).

e. *Insurance*

LPI's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

f. Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- the amount of GST incurred by LPI as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables and payables are stated with the amount of GST included.

g. Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by LPI. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Assets acquired at no cost or for nominal consideration are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the acquisition date. The discount rate used is the incremental borrowing rate being the rate at which a similar borrowing could be obtained.

h. Plant and Equipment

Plant and equipment costing \$5,000 and above individually are capitalised. Individual items of computer equipment costing \$1,000 and above are capitalised when they form part of a network.

i. Intangible Assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by LPI, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives.

j. Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

k. Revaluation of Physical Non-Current Assets

Physical non-current assets are measured on a fair value on an existing use basis in accordance with the AASB 1041 from the financial years beginning on or after 1 July 2002. There is no substantive difference between the fair value valuation methodology and the previous valuation methodology adopted in the NSW public sector.

Where available, fair value is determined having regard to the highest and best use of the asset on the basis of current market selling prices for the same or similar assets. Where market selling price is not available, the asset's fair value is measured as its market buying price ie the replacement cost of the asset's remaining service potential.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

Otherwise, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the Profit/Loss.

Revaluation decrements are recognised immediately as expenses in the Statement of Financial Performance, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve. Buildings and Land are revalued at least every five years.

Revaluation increments and decrements are offset against one another within the same class of non-current assets but not otherwise. Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

l. Depreciation of Non-Current Physical Assets

Depreciation is provided for on a straight-line basis against all depreciable assets so as to write off the depreciable amount of each depreciable asset as it is consumed over its useful life to LPI. Land is not a depreciable asset.

All material separately identifiable component assets are recognised and depreciated over their shorter useful lives, including those components that in effect represent major periodic maintenance.

Asset Classes	Rates (%)
Buildings and Improvements	2.50
Printing Press	6.67
Aeroplane / Aerial Photographic Equipment	14.25
Motor Vehicles	20.00
Plant and Equipment	20.00
EDP Equipment	25.00

m. Maintenance and Repairs

The costs of maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

n. Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

o. Receivables

Receivables are recognised and carried at cost based on the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

p. Inventories

Inventories are comprised of raw materials for map printing and maps stock. Raw materials are valued on a first-in-first-out basis. Maps stocks are valued at the weighted average cost of printing from the map masters at full absorption of labour, materials and overhead. Stock is used on a first-in-first-out basis.

q. Restricted Assets : Torrens Assurance Fund

This fund is administered by LPI. The Torrens Assurance Fund was established under S134(1) of the Real Property Act 1900 as a Special Deposit Account administered by the Registrar-General. Refer to Note 12.

r. Payables

These amounts represent liabilities for goods and services provided to LPI and other amounts, including interest. Interest is accrued over the period it becomes due (where applicable).

s. Interest Bearing Liabilities

Any finance lease liability is determined in accordance with AAS 17 "Leases".

t. Contribution to Consolidated Fund

LPI is required to pay income tax equivalents and dividends to the Consolidated Fund. Tax effect accounting is not required to be applied. Income tax is calculated by applying the prevailing company tax rate to profits earned by LPI after adjusting for any actuarial adjustments to unfunded superannuation impacting the statement of financial performance. In previous years, dividends were paid at the rate of 85% of after tax profit in two equal instalments, in August and December. For 2004-05, and future years, dividends are calculated at 85% of after tax profit adjusted for actuarial adjustments to unfunded superannuation.

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

3. REVENUES

3(a) Sale of Goods and Services

	2005 \$'000	2004 \$'000
Title	103,124	101,235
Valuation	24,406	22,936
Mapping	3,115	3,656
Torrens Assurance Fund (see note 12)	3,228	2,017
	133,873	129,844

3(b) Investment Income

Interest	3,031	3,324
	3,031	3,324

3(c) Grants and Contributions

Community Service Obligations	12,668	12,410
	12,668	12,410

3(d) Other Income

Printing and Publishing	634	418
Digital Database Sales	2	13
International Projects	209	651
Corporate Support	103	57
Miscellaneous Income	1,148	1,575
	2,096	2,714

4. EXPENSES

4(a) Employee Related Expenses

Salaries and wages (including recreation leave)	51,662	59,152
Superannuation	(6,487)	1,827
Long Service Leave	3,047	3,749
Workers Compensation	435	559
Payroll and Fringe Benefits Tax	4,248	4,257
Payroll Tax on Employer's Superannuation Contribution	-	(1)
	52,905	69,543

The agency charges the full cost of long service leave and current cost of superannuation to operations.

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

4(b) Other Operating Expenses

	2005 \$'000	2004 \$'000
Valuation contractors & expenses	10,782	9,305
Cleaning & utilities	1,168	1,107
Property rental costs	620	634
EDP – information technology services	2,006	3,315
Furniture, plant & equipment	294	306
Stores & materials	1,990	2,123
Consultancies & other contractors	2,626	1,919
Promotions, publicity, events management	135	248
Travel expenses	653	655
Telecommunication expenses	1,760	1,606
Motor vehicle expenses	665	593
Insurance	277	269
Auditor's remuneration – audit or review of the financial report	161	177
Freight & postage	656	606
Staff related & development	718	698
Administration	719	968
Legal fees	73	53
Land taxes	270	326
Bad debts	(15)	292
Other	263	439
	25,821	25,639

4(c) Depreciation Expenses

Buildings	713	694
Plant and Equipment	10,428	9,247
	11,141	9,941

4(d) Grants and Subsidies

Grants paid to other organisations	284	324
	284	324

4(e) Borrowing Costs

Finance lease interest charges	536	278
	536	278

4(f) Other Expenses

Torrents Assurance Fund	308	1,465
	308	1,465

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

4(g) Income Tax Equivalent Expense

	2005 \$'000	2004 \$'000
Accounting profit for the year	57,709	38,738
Less: actuarial adjustments to unfunded superannuation (Note 6)	(21,173)	-
Adjusted accounting profit for the year	<u>36,536</u>	<u>38,738</u>
Income tax equivalent expense for the year at 30%	10,961	11,621
Less: tax overpaid to Office of State Revenue (Note 6)	(4,782)	-
	<u>6,179</u>	<u>11,621</u>

4(h) Distributed Costs

Included in the expenses listed above are the costs of corporate services provided by LPI to the other divisions of the Department of Lands for which no revenues are received.

Employee related	3,581	3,822
Other operating expenses	1,004	941
	<u>4,585</u>	<u>4,763</u>

5. GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

Proceeds from disposal – Property, Plant & Equipment	20	660
Written Down Value of assets disposed	(322)	(550)
Net (loss) / gain on disposal of Property, Plant & Equipment	<u>(302)</u>	<u>110</u>

6. INDIVIDUALLY SIGNIFICANT ITEMS

Included in expenses from ordinary activities is \$21.173m for superannuation expenses written back due to a significant increase in the income earned in the superannuation fund reserves (2004 - \$15.940m).

Subsequent to the LPI's financial statement for the financial year ended 30 June 2004 being signed off by the Audit Office NSW in October 2004, it was found that the income tax equivalent was calculated based on the accounting profit without adjusting for the actuarial adjustments of \$15.958m to unfunded superannuation impacting the statement of financial performance. This resulted in an overpayment of income tax equivalent of \$4.782m to Office of State Revenue and an under payment of dividend of \$4.064m to the Treasury NSW.

These amounts have been adjusted in the financial year ended 30 June 2005.

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

7. CURRENT ASSETS - CASH

	2005 \$'000	2004 \$'000
Cash at bank and on hand	44,154	67,004
	44,154	67,004

For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash at bank. Cash assets recognised in the Statement of Financial Position are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Cash (per Statement of Financial Position)	44,154	67,004
Closing cash and cash equivalents (as per Statement of Cash Flows)	44,154	67,004

8. CURRENT ASSETS - RECEIVABLES

Current Receivables

Sale of goods and services	6,261	4,408
GST Receivable	392	690
Interest Receivable	1,449	1,976
Other Receivable	147	122
Less: Provision for doubtful debts	(87)	(205)
	8,162	6,991

9. CURRENT ASSETS – INVENTORIES

Current Inventories

At cost		
Raw materials	-	4
Goods for resale	349	326
	349	330

Non-current Inventories

At cost		
Goods for resale	1,396	1,306
	1,396	1,306

Raw materials are classified as current assets because they are used within a short period. Goods for resale (map stocks) are split 20% current and 80% non-current based on 5 year usage. There was no write down of inventories during the financial year ended 30 June 2005 (2004 - NIL).

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

10. CURRENT/NON-CURRENT ASSETS – OTHER

	2005 \$'000	2004 \$'000
Current Prepayments		
Prepayments	1,586	1,321
Prepaid Superannuation – SSS (Note 15)	3,282	-
	4,868	1,321

11. NON-CURRENT ASSETS – PROPERTY, PLANT & EQUIPMENT

LAND AND BUILDINGS

At Fair Value	50,915	49,066
Less:		
Accumulated Depreciation	(1,573)	(859)
Net Book Value	49,342	48,207

PLANT AND EQUIPMENT

At Fair Value	77,252	66,094
Less:		
Accumulated Depreciation	(42,334)	(34,389)
Net Book Value	34,918	31,705

Total Property, Plant and Equipment	84,260	79,912
--	---------------	---------------

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below:

Land and Buildings

Carrying amount at start of year	48,206	47,700
Additions	2,005	1,314
Disposals	(8)	(70)
Reclassification	(148)	(44)
Depreciation expense	(713)	(694)
Carrying amount at end of year	49,342	48,206

Plant and Equipment

Carrying amount at start of year	31,705	29,457
Additions	13,806	11,931
Disposals	(2,797)	(3,070)
Reclassification	148	44
Depreciation expense	(10,427)	(9,247)
Written back on disposal	2,483	2,590
Carrying amount at end of year	34,918	31,705

Total Property, Plant and Equipment	84,260	79,912
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LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

12. RESTRICTED ASSETS

Torrens Assurance Fund – Special Deposit Account

LPI operates the Torrens Assurance Fund within the Special Deposit Accounts. The Fund was established under Section 134 (1) of the Real Property Act 1900. It meets claims for losses arising out of fraud or agency error and is funded by \$4 charge on each land dealing lodged. The following is a summary of transactions in the Torrens Assurance Fund.

	2005 \$'000	2004 \$'000
Opening cash balance	8,825	8,273
Add:		
Revenue	3,228	2,017
Less:		
Expenditure	(308)	(1,465)
Cash balance at end of Year	11,745	8,825

The above transactions and balances have been recognised in LPI's financial statements.

13. CURRENT LIABILITIES – PAYABLES

Accrued salaries, wages and on-costs	1,497	1,371
Creditors	3,224	2,773
Income received in advance	146	131
Dividend payable	25,804	23,049
Income Tax Equivalent payable	4,948	9,034
Other	572	1,121
	36,191	37,479

14. CURRENT/NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES

Current Liabilities

Finance lease commitments (Note 17)	-	446
	-	446

Non-Current Liabilities

Finance lease commitments (Note 17)	-	2,323
	-	2,323

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

15. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

	2005 \$'000	2004 \$'000
Current employee benefits and related on-costs		
Recreation leave	4,053	4,061
Long service leave	3,679	3,564
Oncosts on employee benefits	276	542
Total provisions	8,008	8,167
Non-Current employee benefits and related on-costs		
Recreation leave	1,619	1,608
Long service leave	25,943	25,110
Superannuation	3,459	33,525
Oncosts on employee benefits	1,228	7,192
	32,249	67,435
Aggregate employee entitlements		
Provisions – current	8,008	8,167
Provisions – non-current	32,249	67,435
Accrued salaries and wages	1,497	1,371
	41,754	76,973

Superannuation liability

Land and Property Information NSW is responsible for funding the employer's superannuation liability through monthly contributions to LPI's reserve account held at the Pillar Administration. Superannuation payments to retiring employees are made out of this reserve account. Periodically LPI's reserve account balance is augmented by interest distributions made at the discretion of the Pillar Administration. LPI has no control over interest distributions. The reserve account can only be used for the settlement of superannuation liabilities.

Actuarial assessments for the defined benefit schemes SASS, SANCS and SSS (refer to note 2 (c) (ii)) have been made for the year ended 30 June 2005 based on the full requirements of AAS25.

Funds	Assessed Liability		Reserve Account		Superannuation Prepaid/(Deficit)	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
State Superannuation Scheme	196,451	190,899	199,732	162,380	3,282	(28,519)
State Authorities Superannuation Scheme	14,557	13,478	11,825	10,048	(2,732)	(3,430)
Sub-Total	211,008	204,377	211,557	172,428	550	(31,949)
State Authorities Non-Contributory Superannuation Scheme	13,447	12,517	12,721	10,941	(727)	(1,576)
Total	224,455	216,894	224,278	183,369	(177)	(33,525)

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

15. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS (continued)

LPI's superannuation liabilities as at 30 June 2005 as assessed by Pillar Administration were based on the following key assumptions:

	2005 %	2006 %	2007 %
• Rate of Investment Return	7.0	5.2	5.2
• Rate of General Salary Increase	4.0	4.0	4.0
• Rate of Increase in CPI	2.5	2.5	2.5

16. EQUITY

	2005 \$'000	2004 \$'000
Retained earnings		
Balance at the beginning of the financial year	41,014	36,946
Transactions with owners as owners		
Dividend for the year	(21,739)	(23,049)
Adjustment for 2004 dividend (Note 6)	(4,064)	-
Total	15,211	13,897
Other than transactions with owners as owners		
Net Profit for the year	51,530	27,117
Balance at the end of the financial year	66,741	41,014

17. COMMITMENTS FOR EXPENDITURE

(a) Other Expenditure Commitments

Aggregate of other expenditure for the acquisition of items as detailed below contracted for at balance date and not provided for: - Mass valuation contracts with various suppliers and other expenditures.

Not later than 1 year	11,582	8,985
Later than 1 and not later than 5 years	10,438	11,370
Total (including GST)	22,020	20,355

(b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable for accommodation and motor vehicle for varying contract periods/suppliers.

Not later than 1 year	1,155	837
Later than 1 year but not later than 5 years	688	409
Total (including GST)	1,843	1,246

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

17. COMMITMENTS FOR EXPENDITURE (continued)

(b) Operating Lease Commitments (continued)

The total other expenditure commitments and operating lease commitments above include input tax credits of \$2.169m (2004 - \$1.964m) that are expected to be recovered from the Australian Taxation Office.

(c) Finance Lease Commitments

	2005 \$'000	2004 \$'000
Not later than 1 year	-	446
Later than 1 year but not later than 5 years	-	1,783
Later than 5 years	-	2,229
Minimum lease payments	-	4,458
Less: future finance charge	-	(1,689)
Total (including GST)	-	2,769

Classified as:

Current	-	446
Non-current	-	2,323
	-	2,769

The finance lease asset relates to the lease/purchase of premises in Bathurst. The lease commenced on 16th January 1976 with a non-cancellable term of 38 years but was paid off in November 2004. The building is constructed on land owned by the Crown.

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Land and Property Information NSW maintains a special deposit account for claims arising through fraud or Departmental error (Torrens Assurance Fund). As at 30 June 2005 known claims were assessed to have an estimated gross liability of \$4.779m (2004 - \$8.127m). These liabilities have been estimated on the assumption that all disputed claims will be lost by LPI.

19. RECONCILIATION OF OPERATING PROFIT/(LOSS) AFTER INCOME TAX EQUIVALENT TO CASH FLOWS FROM OPERATIONS.

Net profit from operating activities	51,530	27,117
Adjustment for non-cash items:		
Depreciation	11,141	9,941
Net Loss/(gain) on sale/revaluation of non-current assets	302	(110)
Changes in Assets and Liabilities		
(Increase) in Receivables	(1,171)	(42)
(Increase)/Decrease in Inventories	(109)	179
(Increase)/Decrease in Other Assets	(3,546)	509
(Decrease) in Provisions	(35,345)	(14,062)
(Decrease)/Increase in Current liabilities	(4,042)	8,137
Net Cash Flow from operating activities	18,760	31,669

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

20. FINANCIAL INSTRUMENTS

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation 11.00 am unofficial cash rate adjusted for a management fee to Treasury. Interest is reported in the financial statements as it is earned. For the purposes of the Statement of Cash Flows, cash comprises cash on hand and at bank.

Receivables

All trade and other debtors are recognised as amounts receivable at balance date. Collectability of all debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are generally made on 30 day terms.

Trade Creditors and Accruals

The liabilities are recognised for amounts due to be paid in the future for goods or services received whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made not later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was paid during the year (30 June 2004-Nil). The carrying amount approximates net fair value.

Leased Assets

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expenses. Operating lease payments are expensed in the periods in which they are incurred.

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

(a) Interest Rate Risk

		Fixed Interest Rate Maturities					
	Weighted Average Effective Interest Rate	Floating Interest Rate	1 year Or less	1 to 5 years	More than 5 years	Non Interest Bearing	Total Carrying Amount As per the Statement of Financial Position
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2005							
<i>Financial Assets</i>							
Cash	4.33	44,154	-	-	-	-	44,154
Receivables		-	-	-	-	8,162	8,162
Total Financial Assets		44,154	-	-	-	8,162	52,316
30 June 2004							
Cash	4.18	67,004	-	-	-	-	67,004
Receivables		-	-	-	-	6,991	6,991
Total Financial Assets		67,004				6,991	73,995
30 June 2005							
<i>Financial Liabilities</i>							
Payables		-	-	-	-	36,191	36,191
Total Financial Liabilities		-	-	-	-	36,191	36,191
30 June 2004							
Payables		-	-	-	-	37,479	37,479
Interest Bearing	9.75	-	446	1,783	540	-	2,769
Total Financial Liabilities		-	446	1,783	540	37,479	40,248

(b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract/or financial position failing to discharge a financial obligation there under. LPI's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

21. SEGMENT INFORMATION

The entity is the sole business of administration and provision of land and property information in New South Wales (NSW).

Geographically, the whole operation is in NSW. Although the organisation operates mainly from two centres, Sydney and Bathurst, the main functions are integrated and complement one another, with the exception of title registration which is mainly located in Sydney.

Neither the group of closely related products or services provided by the entity nor the geographical location give rise to risks and returns that are different from any distinguishable component of the entity.

Accordingly, segment information by both business and geographically is not required in accordance with AASB1005.

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

22. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Land and Property Information NSW (LPI) will apply the Australian Equivalents to International Financial Reporting Standards (AEIFRS) from 2005-06.

The LPI's AEIFRS implementations are managed by the Department of Lands and the following strategy is being implemented by the Department to manage the transition to AEIFRS:

- Forming AEIFRS steering committee
- Send steering committee members to attend AEIFRS seminars
- Engaging accounting professional to provide expert advice
- AEIFRS Business Impact Analysis
- Changes to systems, processes and policies
- Train staff
- Implementation

To date, the Department has sent the financial steering committee members to attend seminars on AEIFRS implementation issues and AEIFRS annual reports presentation and disclosures sponsored by the NSW Treasury and the CPA Australia. The consultants from the accounting firm, Deloitte, have been engaged to provide the expert advice to the steering committee. The AEIFRS business impact analysis and the revised opening balance in compliance with AEIFRS have also been completed.

The Department has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates").

The Department has referred to AASB 136 – Impairment of Assets, the draft HOTARAC (Head of Treasuries Accounting and Reporting Advisory Committee) policy for the definition of 'a not-for-profit entity' and has considered the following factors in determining the status of a 'not-for-profit' entity for LPI.

- Statements by owners about objectives of the entity
- Governance framework-extent that private sector type frameworks apply
- Purpose, nature and extent of funding from owners
- Targeted financial performance of the entity, agreed between owners and board/management
- Classification under Government Finance Statistics (GFS)
- Comparison with Treasury's previous approach

Shown below are management's best estimates as at the date of preparing the 30 June 2005 financial report of the estimated financial impacts of AEIFRS on the LPI's equity and profit/loss.

LPI does not anticipate any material impacts on its cash flows. The actual effects of the transition may differ from the estimated figures below because of pending changes to the AEIFRS, including the UIG Interpretations and / or emerging accepted practice in their interpretation and application. LPI's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

22. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Reconciliation of key aggregates

Reconciliation of equity under existing Standards (AGAAP) to equity under AEIFRS:			
	Notes	30 June 2005** \$'000	1 July 2004* \$'000
Total equity under AGAAP		66,741	41,014
Adjustments to accumulated funds			
Effect of valuing assets individually rather than by class	1	-	-
Grants [AASB 120]	2	-	-
Recognition of major inspection costs	3	-	-
Recognition of restoration costs	4	-	-
Write back asset revaluation reserve for investment properties	5	-	-
Derecognition of intangible assets	6	-	-
Derecognition of capitalised interest	7	-	-
Defined benefit superannuation adjustment of change in discount rate	8	(83,656)	(42,910)
Effect of discounting long-term annual leave	9	-	-
Tax effect adjustment	10	-	-
Adjustments to other reserves			
Effect to valuing assets individually rather than by class	1	-	-
Write back asset revaluation reserve for investment properties	5	-	-
Write back asset revaluation reserve for intangibles	6	-	-
Capitalised interest derecognised	7	-	-
Tax effect adjustment	10	-	-
Total equity under AEIFRS		(16,915)	(1,896)

*=adjustments as at the date of transition
**=cumulative adjustments as at date of transition plus the year ended 30 June 2005

Reconciliation of surplus / (deficit) under AGAAP to surplus / (deficit) under AEIFRS:		
Year ended 30 June 2005	Notes	\$'000
Surplus / (deficit) after tax under AGAAP		51,530
Grants [AASB 120]	2	-
Major inspection costs	3	-
Restoration costs	4	-
Investment properties	5	-
Research costs expensed	6	-
Borrowing costs expensed	7	-
Defined benefit superannuation	8	(40,746)
Long term annual leave	9	-
Income tax expense	10	-
Assets held for sale	11	-
Surplus / (deficit) after tax under AEIFRS		10,784

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

22. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (*continued*)

Notes to tables above

1. AASB 116 Property, Plant and Equipment require for-profit entities to recognise revaluation increments and decrements on an individual asset basis, rather than a class basis. This change will decrease accumulated funds and increase the asset revaluation reserve.
2. AASB 120 Accounting for Government Grants and Disclosure of Government Assistance requires for-profit entities to recognise grant income over the period necessary to match related costs. This has the effect of delaying revenue recognition and increasing liabilities. Under current AGAAP, grants are normally recognised on receipt. It is possible that AASB 120 may be amended to adopt the approach in AASB 141 Agriculture where grants are recognised as revenue when conditions are satisfied. However, at this stage, the timing and dollar impact of these amendments is uncertain.
3. AASB 116 requires major inspection costs to be capitalised, where these are currently expensed. This will require that fair value and depreciation of the related asset to be re-allocated.
4. AASB 116 requires the cost and fair value of property, plant and equipment to be increased to include the estimated restoration costs, where restoration provisions are recognised under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. These restoration costs must be depreciated and the unwinding of the restoration provision must be recognised as a finance expense. This treatment is not required under current AGAAP.
5. Under AASB 140 Investment Property and Treasury's indicative mandates investment property will be recognised at fair value. In contrast to their current treatment as property, plant and equipment, investment property recognised at fair value will be not be depreciated and changes in fair value will be recognised in the operating statement rather than the asset revaluation reserve. This means that any asset revaluation reserve balances relating to such property will be written back to accumulated funds.
6. AASB 138 Intangible Assets requires all research costs to be expensed and restricts the capitalisation of development costs. Current AGAAP permits some research and development costs to be capitalised when certain criteria are met. As a result, some currently recognised intangible assets will need to be derecognised. Further, intangibles can only be revalued where there is an active market, which is unlikely to occur. Therefore, revaluation increments and decrements will need to be derecognised and intangible assets recognised at amortised cost.

The application of AASB 138 will also result in certain reclassifications from property, plant and equipment to intangible assets (e.g. computer software and easements)

7. Current AGAAP requires borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised and other borrowing costs to be expensed.

AASB 123 Borrowing Costs provides the option to expense or capitalise borrowing costs. NSW Treasury's indicative mandate requires all General Government Sector agencies to expense all borrowing costs to harmonise with Government Finance Statistics reporting. This reduces the recognised value of assets and reduces profits.

LAND AND PROPERTY INFORMATION NSW
Notes to the Financial Statements
For the Year ended 30 June 2005

22. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (*continued*)

8. AASB 119 Employee Benefits requires the defined benefit superannuation obligation to be discounted using the government bond rate as at each reporting date, rather than the long-term expected rate of return on plan assets. Where the superannuation obligation is not assumed by the Crown, this will increase the defined benefit superannuation liability (or decrease the asset for those agencies in an overfunded position) and change the quantum of the superannuation expense.
9. AASB 119 requires present value measurement for all long-term employee benefits. Current AGAAP provides that wages, salaries, annual leave and sick leave are measured at nominal value in all circumstance.
10. AASB 112 Income Taxes uses a balance sheet approach which requires the differences between the accounting and tax value of assets and liabilities to be recognised as deferred tax assets or liabilities. Current AGAAP uses an operating statement method that accounts for tax by adjusting accounting profit for temporary and permanent differences to derive taxable income. The AASB 112 approach alters the quantum and timing of tax assets and liabilities recognised. In particular, the balance sheet approach results in the recognition of a deferred tax liability in relation to revalued assets that are generally not recognised under current AGAAP. This also changes the quantum and timing of the tax expenses.
11. AASB 5 Non-Current Assets Held for Sale and Discontinued Operations requires non-current assets classified as 'held for sale' to be reclassified as current and recognised at the lower of the carrying amount and the fair value less costs to sell. Unlike current AGAAP, 'held for sale' assets are not depreciated, thereby reducing the depreciation expense.

(b) Financial Instruments

In accordance with NSW Treasury's indicative mandates, LPI will apply the exemption provided in AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards not to apply the requirements of AASB 132 Financial Instruments: Presentation and Disclosures and AASB 139 Financial Instruments: Recognition and Measurement for the financial year ended 30 June 2005. These Standards will apply from 1 July 2005. None of the information provided above includes any impacts for financial instruments. However, when these Standards are applied, they are likely to impact on retained earnings (on first adoption) and the amount and volatility of profit / loss. Further, the impact of these Standards will in part depend on whether the fair value option can or will be mandated consistent with Government Finance Statistics.

(c) Grant recognition for not-for-profit entities

LPI will apply the requirements in AASB 1004 Contributions regarding contributions of assets (including grants) and forgiveness of liabilities. There are no differences in the recognition requirements between the new AASB 1004 and the current AASB 1004. However, the new AASB 1004 may be amended by proposals in Exposure Draft (ED) 125 Financial Reporting by Local Governments. If the ED 125 approach is applied, revenue and / or expense recognition will not occur until either LPI supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied. ED 125 may therefore delay revenue recognition compared with AASB 1004, where grants are recognised when controlled.

However, at this stage, the timing and dollar impact of these amendments is uncertain.

Crown Lands Division

Crown Lands provides a property management service for the Department of Lands.

Crown Lands is the custodian of Crown land status information and, under the Crown Lands Acts, administers Crown land held under lease, licence or permit. In addition, the Division manages vacant Crown land, land retained in public ownership for environmental protection purposes and the lands of the Crown public roads network. Crown land is allocated for public uses, including schools, hospitals, sports grounds, community recreation and housing development. Crown reserves are managed in partnership with both councils and local community groups.

The goal of Crown land management is to optimise environmental, economic and social outcomes for the benefit of the people of NSW.

The Crown Lands Division offers a diverse range of services including:

- General enquiries about Crown land and payment of Crown land accounts.
- Marketing and disposal of Crown land for residential, commercial, industrial and rural use.
- Applications for leases, licences, enclosure permits and purchase of Crown land.
- Conversion/purchase of Crown leasehold tenures.
- Assistance in management of local community reserves.
- Administration of Crown roads.
- Native Title investigation.
- Management of 27 Minor Ports along the east coast of NSW.
- Land survey and title creation including investigations of Mean High Watermark definitions and Aboriginal land claims.
- Map and aerial photograph sales.

Senior Managers

Graham Harding, General Manager

Bob Costello, Director Business Performance

Adrian Harte, Regional Manager Central

Craig Barnes, Regional Manager North Coast

Leanne Taylor, Regional Manager South

Andrew McAnespie, Regional Manager Sydney/Hunter

Stephen Francis, State Manager Commercial Development

Management, strategy and performance review

Key issues

- Crown land, including the Western Division, comprises approximately half of all land in NSW, with an area of around 39 million hectares valued in excess of \$8.3 billion.
- Crown land is allocated for diverse public uses such as sporting, camping and recreation areas. In addition, significant Crown lands are retained for protection and management for their environmental importance.
- Crown land is available for leasing for commercial and agricultural purposes as well as development and sale to meet the needs of expanding regional and rural communities.
- Implementation of the reforms introduced in the Crown Lands Legislation Amendment (Budget) Act 2004, particularly environmental assessment to facilitate perpetual lease conversions and development of the framework for covenants to protect natural resources.
- The magnitude of the Crown estate, including its infrastructure and ecological values, creates significant demands on State and community resources.

Objectives 2004/2005

- Development of comprehensive databases, management systems and processes to support continued efficient management of Crown land.
- Continued responsible management of natural resources on Crown reserves such as the conservation of water, flora, fauna and scenic beauty, while still encouraging public use and enjoyment of the land.
- Encouragement and support of volunteers to help care for Crown reserves through the mechanism of community trust boards.

- Continued implementation of commercial management of Crown and other surplus State-owned lands.

Outcomes

- Promotion of and active participation on the Game Council and on the Noxious Weeds, Bushfire Mitigation and Estuary Management Committees to manage the natural resources on Crown land.
- Cooperation with local authorities in the eradication of feral pests and weeds on Crown lands.
- PricewaterhouseCoopers commissioned to review the management of trust reserves and develop a Handbook to assist community trust boards.
- Improved performance in the stewardship of the Crown estate with implementation of the recommendations of the Independent Pricing and Regulatory Tribunal Review into Rentals for Waterfront Tenancies on Crown Land in NSW.
- Improved operational and commercial awareness by adoption of contemporary 'best practice' to optimise commercial returns.
- Implementation of a Management Operating System for business development.

Objectives 2005/2006

- Responsible Crown land management to optimise environmental and socio-economic benefits to the State.
- Continued development of a Public Trading Enterprise-like environment to guide the operations of Crown Lands NSW.
- Continued implementation of Crown land legislative reforms by undertaking environmental assessments of Oyster Leases and the Perpetual Lease Conversion program.
- Maintain integrity of data to enable accurate internal reporting of the value of the Crown estate.
- Continued internal promotion of the Crown Lands Management Operating System.
- Implementation of a Program Management model structure to identify and create service delivery efficiencies and opportunities that will provide flexibility and stability into the future.
- Encouragement of staff to undertake training in administration and management of public land.
- In light of the forthcoming Independent Pricing and Regulatory Review into Rental Arrangements for Crown Land Communication Tower Sites

continue licence negotiations with major communications carriers for use of Crown land for telecommunications towers.

- Complete the management review of Rookwood Cemetery.
- With the active participation of government agencies and stakeholders, continue development of Master Plans for the future direction and development of the Crown land maritime precincts at Coffs Harbour; South Harbour, Tweed Heads; Port Macquarie; and, Forster-Tuncurry.
- Undertake feasibility studies for the development of Ulladulla, Batemans Bay and Wollongong harbours.

Managing Land Assets

The Crown Lands Division practices sustainable management of State-owned lands for the benefit of the people of New South Wales. As the property manager for Crown land tenures, reserves and unallocated Crown lands across eastern and central New South Wales, the Division manages an area of approximately 12.7 million hectares.

Crown land is a valuable public asset and Crown Land NSW strives to deliver the optimum environmental and socio-economic benefit for the State. Under the Crown Lands Acts 1989, the Division administers and manages Crown lands held under lease, licence and permit; community and Council reserves; lands retained in public ownership for environmental purposes; lands within the Crown public road network; and, vacant Crown lands. Crown land is also allocated for public uses such as schools, hospitals, sporting facilities, recreation and community events.

Under the Aboriginal Land Rights Act 1983, the Crown Lands Division researches, prepares and issues Real Property Act titles for Aboriginal land claims granted over Crown land. It also manages, on behalf of the Government, applications made under the Commonwealth Native Title Act 1993 affecting land in New South Wales. This includes the making of Indigenous Land Use Agreements aimed at settling these claims.

The Division continues to meet the government's environmental obligations, working in partnership with natural resource stakeholders across the State to rehabilitate Crown lands. It also promotes the revegetation and rehabilitation of Crown land tenures by providing rental incentives and supporting community initiatives to enhance the environment.

The Crown Lands Division has developed networks with other Crown land agencies across Australia, sharing and

exchanging information and developing strategic solutions for improved Crown land management.

Through the Division, the Department is committed to sharing Crown land resources among the whole community providing, for example, recreation for the general public, tourism opportunities for local communities, support for local fishing industries, communications for regional Australia and farming opportunities for rural families.

In particular, the Division manages Crown land tenures, Crown reserves and vacant Crown lands totalling 8 million hectares involving the administration of 34,724 road enclosure permits, 17,766 licences, 12,054 leases, 2,714 purchases and 104 other tenure accounts.

The income of \$99.7 million from the management of Crown land tenures and sales of surplus Crown and State-owned lands is detailed hereunder:

To meet needs for public safety, some \$320,000 has been expended on the removal of dangerous and unauthorised structures, including dangerous trees, and the remediation of contaminated sites.

In addition, the Division recognises community support obligations to non-profit organisations, charity groups, pensioners and rural community members encountering financial hardship by providing rental rebates to the value of \$4.9 million. A further \$7.75 million in rentals have been waived in accordance with the legislative reforms introduced in July 2004.

The Crown Lands Division has implemented an asset tracking system that captures and reports on movements in the base data of the Crown estate. About 5700 asset movements with a book value of \$274 million were captured and recoded during 2004/05.

	2001/02 (\$ million)	2002/03 (\$ million)	2003/04 (\$ million)	2004/05 (\$ million)
Rent & royalties	21.86	25.63	28.03	43.44
Administration fees	0.19	0.21	0.04	0.05
Application fees	1.48	1.09	1.12	1.85
Search fees	0.32	0.27	0.29	0.23
Total	23.85	27.2	29.48	45.57

Sales of Surplus Crown land

	2001/02 (\$ million)	2002/03 (\$ million)	2003/04 (\$ million)	2004/05 (\$ million)
Development of remnant sites	23.85	12.45	3.82	3
Sale of Crown leasehold to existing tenants	13.74	9.68	9.18	6.3
Sale of vacant Crown land	2.26	2.19	36.9	
Sales to other state government departments and agencies	2.11	1.83	5.17	8
Totals	39.71	23.96	20.36	54.2

Crown Lands Reforms

The Government introduced important changes to the management of Crown land through the Crown Lands Legislation Amendment (Budget) Act 2004.

The purpose of the reforms is to streamline administration and to achieve a fair and equitable return on the Crown land assets of the State. These reforms also provide an opportunity for perpetual leaseholders to make applications to convert their leases to freehold, subject to certain conditions.

The reforms will affect approximately 11,000 Perpetual Leases, ranging from small suburban blocks to large agricultural holdings. Also affected by the reforms is the Crown road network where a simplified amalgamation

program has already reduced the number of Enclosure Permits from approximately 45,000 to 34,724.

A Reforms Service Centre has been established at Dubbo to meet the reforms challenges and to work in conjunction with Regional staff to streamline and manage the process. Seven staff have been recruited to operate the Reforms Service Centre - a Manager, Administrative Assistant and five technical and land management staff. To complement the Reforms Service Centre, land management positions have been established at various Regional locations and a land economist/valuation position established at Newcastle.

The heritage listed Dubbo Lands Office has also undergone extensive refurbishment to provide adequate workspace for the new unit as well as the District Crown Lands staff.

An integral part of leasehold conversion and road sale processes will be assessment of natural resource issues. This assessment, together with negotiation with interested stakeholders including the Department of Environment and Conservation, Forests NSW and landholders, will guide imposition of covenants to protect important ecological, natural resource, cultural heritage and other significant values.

This whole of government approach will support Catchment Management Authorities in implementing catchment action plans and meeting environment targets.

Systems have been developed to provide a consistent approach for both Regional and Reforms Centre Staff in environmental assessment and the use of computerised mapping programs. This will provide a consistently high standard of documentation and final plans.

Road Reforms

The Crown Lands Division is developing a strategic approach to promote the reforms to close and purchase Crown roads. In this regard, Departmental

representatives have already met with regional groups of farmers to explain the reforms.

Landirect

Landirect is an evolving e-business approach to Crown land business transactions.

A key Landirect objective to provide automatic transfer of Enclosure Permits as a Crown Land Information Database (CLID) update has been introduced resulting in significant savings in staff processing times.

In addition, all Crown Lands application forms are now accessible on-line, including forms for clients to lodge applications for conversions of Perpetual Leases resulting from the Crown lands legislative reforms.

The first stage of the on-line Solicitor Searches was introduced in District Offices in April 2005 with a pilot trial for selected solicitors to access on-line Solicitor Searches scheduled to commence in August 2005. Following this trial, the on-line service will be offered generally to Solicitors/Conveyancers across NSW.

A system to facilitate the transfer of Domestic Waterfront Licences, similar to the Enclosure Permit process, is being developed and on-line applications for new Domestic Waterfront Licences will also be automated as part of this development.

Crown reserves

Crown reserves comprise about three percent of NSW and are a valuable component of the State's network of reserved, protected and public lands.

The Crown reserve system provides the people of NSW with a variety of facilities including local and regional parks, showgrounds, community halls, picnic areas, caravan parks, camping grounds and travelling stock reserves.

The Crown Lands Division oversees management of almost 33,000 Crown reserves and dedications in NSW. Local communities, including councils, directly manage approximately half of these reserves with the remainder managed by the Division.

Administrative arrangements for Crown Reserves

	2000-02	2001-02	2002-03	2003-04	2004-05
Community Trust Boards	866	911	839	758	754
Council trust management	7,014	7,007	7,150	6,885	6,905
Corporations other than Councils	729	746	780	782	780
Trusts managing Commons	213	209	206	206	206
Other bodies	6,519	6,564	6,534	6,528	6,523
Under Crown Lands NSW control	17,197	17,450	17,490	17,840	17,656
Totals	32,538	32,887	32,999	32,999	32,824

State Parks

Crown reserves include a network of 9 State Parks, which are popular with campers, caravan enthusiasts and those who participate in fishing and boating activities. Most State Parks are located on the picturesque inland water storage areas of the State. With continuing drought conditions throughout the State, visitor numbers are down to 630,000, a reduction of 10% from previous years.

Nearly \$1.4 million was granted to State Park Trusts for operational and running costs including maintenance or development of recreational facilities and equipment.

Public Reserves Management Fund

The Public Reserves Management Fund (PRMF) provides financial assistance for the development, maintenance and protection of Crown reserves in NSW. The PRMF is self-funding with income derived from loan repayments by trust managers and the payment of levies from the operation of Crown coastal caravan parks. During the year, 115 grants and 44 loans were provided to trust managers.

All trusts are audited to ensure profits are returned to improving public reserves.

	2002-03	2003-04	2004-05
Grants			
Number	134	94	115
Value	\$1,188,358	\$879,414	\$1,126,753
Loans			
Number	87	73	44
Value	\$5,036,825	\$4,972,190	\$4,175,900

Walking Tracks and Recreational Trails

Walking tracks maintained by the Crown Lands Division continue to attract interest and significant levels of usage.

During the reporting year The Six Foot Track has been partially realigned to reduce erosion and track head signage works completed.

Along The Great North Walk, 1.5 kms of track upgrade work has been completed in the Crosslands Reserve, a board walk and bridge over the Calna Creek has been upgraded and Departmental plaques placed on signage along the Walk.

Meanwhile the partnership with the Bicentennial National Trail has seen the Division assist in the fine tuning of the route of the Trail to address risk management and legal access issues in various tenures, and the production of a third edition guidebook for Southern NSW.

Objectives for 2005-2006 include the formation of a Recreational Trails Working Group to develop a Strategic Plan for the Departments recreational trails. It is anticipated that the Plan will assist the integration of recreational trails into the Lands reform agenda.

Minor Ports

The Minor Ports Unit consists of 10 professional staff with qualifications in engineering, environmental and marine science disciplines. The Unit manages three Programs: the Minor Ports Program, the River Entrances Program and the Waterways Program. Advice is provided on maritime and coastal aspects of Crown land management.

Minor Ports Program

The NSW Government operates the Minor Ports Program to provide and maintain port infrastructure as well as safe, secure port access. The program benefits the commercial fishing industry, the growing tourism industry, recreational boating and local communities.

Through the Crown Lands Division, the Department has responsibility for care and management of 27 fishing ports throughout NSW. These facilities, with a total replacement value of some \$600million, provide an important role in the ongoing financial success of many NSW coastal regions. In addition to being operational bases for the commercial fishing fleet, the ports and assets are experiencing increasing demands as destinations

and departure points for tourism, charter boats and recreational boating activities. The recently completed Eden Snug Cove Management Plan is aimed at reconciling these various demands.

The 2004-05 program budget of \$2.06million was fully allocated to works including:

- the remediation of contaminated land at Tweed Heads Boat Harbour
- stage two repairs to the concrete multi-purpose jetty at Eden
- various investigations, design studies, physical modelling, operations plans and management studies
- provision of a new low-level landing at Tuncurry
- repairs to several wharves and jetties.

River Entrance Program

The principal objectives of the River Entrance Program are to maintain breakwaters at 21 river entrances along the NSW coastline and to minimise public risk liability at all breakwaters. The breakwaters have a total estimated value of some \$700 million.

Funds of \$400,000 were made available to the program in 2004-05 and were applied to repairs of training walls and breakwaters at Harrington, Kingscliff, Forster and Evans Head.

An underwater inspection of the southern breakwater at Narooma was also carried out to determine the extent of scour along the toe of the structure.

Waterways Program

The Waterways Program seeks to ensure sustainable use of the waterways (crown land) and foreshores administered by Crown Land Division and to improve their recreational access and amenity for the public.

In past years under the Waterways Program, a subsidy has been provided to Councils for such works as:

- preparation of a waterway plan of management
- vessel sewage pump-out facilities
- planning, design and construction of boat launching ramps
- wharves
- associated facilities such as car parking, landscaping, lighting to improve navigation and to assist in the reduction of waterways pollution.

Though no funding provisions were made for new Waterways projects in 2004-05, eight existing projects were completed in the year including Style's Point Jetty restoration, Marmong Point Boat Ramp restoration, design of a jetty at Yarrahappinni Wetlands Reserve and designs of boat ramps at Bermagui and Sussex Inlet.

Tweed River Entrance Sand Bypassing Project

In 2004/05 the Department of Lands assumed responsibility for the Tweed River Entrance Sand Bypassing Project. The sand by-pass project, in cooperation with the Queensland Government, Gold Coast City Council and Tweed Council, ensures that Queensland beaches are nourished with a continual supply of sand and the entrance to the Tweed River remains navigable. The sand supplied to date has now restored the southern beaches of the Gold Coast.

Crown land assessment

Before Crown land can be dealt with, either for public or private benefit, a land assessment must be undertaken to determine its capability and suitability for different purposes. The land assessment process addresses the principles of Crown land management, and includes public consultation as part of the process.

During the year, 82 rapid assessments and 22 full land assessments of Crown land were undertaken.

Where the principles of Crown land management, as listed in the Crown Lands Act, have been taken into account, the Minister has the right to waive land assessments. In 2004-05, to facilitate appropriate land use allocation for Crown lands, the Crown Lands Division processed 144 requests for land assessment waivers.

Crown land caravan park management

Through Crown reserves and tenured Crown land, the Crown land caravan park network is a significant contributor to caravan park accommodation across NSW. Over 33% of all caravan parks and camping ground sites in NSW are Crown land caravan parks. There are over 10,000 holiday van sites in Crown land caravan parks.

Through levies on income, coastal Crown land caravan parks are the major contributor to the Public Reserves Management Fund.

Game and feral animal control

The Game and Feral Control Act 2002 was introduced to allow conservation hunting/culling within NSW to enhance environmental outcomes on public and private lands.

The Game Council was established to undertake the functions of the Act, including liaising with government departments and landholders on game and feral animal control.

Feral animals prey on fauna, destroy the habitat, pollute waterways, damage fences, cause erosion through trampling and grazing, cause a safety hazard to drivers, attack stock and also carry disease.

In reducing feral animal numbers on Crown land, control programs aim to provide positive environmental outcomes with the assistance of well trained and motivated people in the community.

There is no financial outlay to achieve the environmental outcomes of the Act as the program utilises volunteers who have undergone extensive training and are members of recognised hunting clubs with a restricted gaming licence.

This program demonstrates conscientious proactive management of Crown land within NSW.

Trust services

Local communities, including local councils, manage almost half of the Crown reserves in NSW. The remainder are managed by the Crown Lands Division.

The Division provides services to community reserve trust boards including coordination of a voluntary Group Fire and Damage insurance scheme.

Trust members are volunteers whose services contribute to the well being of their local communities. In recognition of this service, 70 Trustee Long Service Award Certificates were presented to eligible trust board members who had completed ten years or more of service.

Crown land bush fire management

Through the Crown Lands Division, the Department of Lands has a statutory responsibility under the Rural Fires Act to prevent bush fires starting on, or spreading on or from land under its control.

In September 2003 the Division appointed four (4) Land Management Officers and a Land Management Coordinator (Bush Fire) to assist departmental officers in addressing the Department's bush fire responsibilities. These positions have facilitated a more strategic approach to the Division's bushfire management.

Works

More fire trail works and fire breaks works on Crown land were carried out in 2004/05 than ever before. A works program valued at \$1,151,643 (including \$451,643 from the Department of Lands) was implemented under the Fire Mitigation Works Fund (FMWF) administered by the Bush Fire Coordinating Committee. In addition to the FMWF program, the Department allocated \$42,163 to address urgent bush fire hazards.

Changes to the Bushfire Coordinating Committee's Policy for the Fire Mitigation Works Fund are likely to reduce the percentage of the funds available for Crown lands in the future.

Fire Trails

The Division, in cooperation with Rural Fire Service, has developed a program to record all fire trails on lands managed by the Department. In 2004/05, the location of 2,628 kilometres of strategic fire trails managed by the Department has been identified and mapped. In 2005/06 the Division will focus on inspecting and maintaining these trails.

Complaints

The numbers of complaints from the public and fire authorities were substantially less than 2003/2004, as recorded in the Bush Fire Complaints Register.

Committees

The Crown Lands Division represents the Department on the Bush Fire Coordinating Committee and on local Bush Fire Management Committees in areas where there are significant parcels of land managed by the Division. In other areas of the State, Division officers provide a point of contact for Bush Fire Management Committees, if required.

The Division has participated in the preparation and/or review of:

- The Bush Fire Environment Code 2005
- Guidelines for Planning for Bushfire Protection
- Bush Fire Management Committee Review, and
- Guidelines for Preparation of Bush Fire Risk Management Plans.

Agreement

In January 2005, the agreement between the Bushfire Coordinating Committee and the Department of Lands expired and was replaced by a letter of understanding from the Commissioner of the Rural Fire Service. This will result in a substantial increase in the roles and responsibilities of the Department for bushfire management, including a greater responsibility for undertaking bush fire hazard reduction activities.

Weed management on Crown land

The Division is responsible for management of weeds on land under its control. This includes preventing the introduction of new weeds and the spread of existing weeds to adjoining land. The NSW Department of Primary Industries (through the Noxious Weeds Advisory Committee - NWAC) is the lead agency in weed control matters and Local Control Authorities (Council and Weeds County Councils) are responsible for the coordination of planning processes and on-ground activities.

The Division is involved in development of Regional weed management plans, the federal Weeds of National Significance initiative, the Bitou Bush Threat Abatement Plan and Recovery Plans for Threatened Native Species (in conjunction with the Department of Environment and Conservation).

The Bitou Bush spraying programs in the Taree and Tweed Regions have resulted in approximately 50% reduction of Bitou in the past three years.

While 123 grants totalling \$585,000 were made for weed control work, some local weed authorities have implemented a scheme to formally lodge complaints about weed infestations on Crown land.

The Crown Land Strategic Development and Marketing Program

The program was established in June 2004 in response to:

- Government direction to realise an improved return on Crown land assets to meet defined targets, and
- Provision of improved services to other government agencies in the management and disposal of their surplus government Crown land assets given the constraints flowing from the "Gandangarra" case.

During the year the Program worked towards achieving the objectives set by reviewing the current policies and procedures and developing and implementing improved ways of providing necessary outcomes as required by all relevant stakeholders.

Outcomes achieved in 2004/05 were:

2001-02	2002-03	2003-04	2004-05	
Number of weed control projects supported on Crown and departmental land	98	100	120	123
Number of research projects supported	2	2	1	3
Number of complaints about weeds on Crown and departmental land	24	18	15	38

Pest management on Crown land

The Crown Lands Division also has responsibilities to eradicate pest animals on land under its control. The NSW Department of Primary Industries is the lead agency and Rural Lands Protection Boards (RLPBs) are responsible for the planning and coordination of on-ground actions.

The Division's pest animal control programs include support for the Fox Threat Abatement Plan prepared by the Department of Environment and Conservation and Outfox the Fox, an initiative of NSW Primary Industries and the RLPBs. The Division also supports Regional Wild Dog Management Plans, Recovery Plans for threatened native species and a research project into the effect of aerial baiting of dogs and foxes on native quoll populations.

The Cane Toad program at Yamba is conducted in conjunction with National Parks and Wildlife Service (NPWS) and is considered to be a success with participant numbers doubling since last year. This resulted in the removal of 1,300 toads in the annual muster.

- Developing partnerships with other government agencies to effectively manage the delivery of Crown land requirements in the disposal of their surplus government properties on a State wide basis;
- Identifying and implementing improved business processes related to land disposal; and
- Managing strategic disposal of non-essential public lands within the greater metropolitan area to achieve the financial target of \$14.6 million.

Inter-departmental Roads Committee

The Inter-departmental Committee (IDC) on Crown Roads was formed at the request of the Minister for Lands as a result of ongoing community issues relating to the formation, maintenance and ongoing management of Crown roads.

The purpose of the IDC is to facilitate communication between participating agencies and to create a protocol framework to address the issues of providing legal and practical access over Crown roads.

The IDC has met three times in the last financial year. Their report is due in late 2005.

Learning and Growth

The Crown Lands Division offered staff the opportunity to expand their knowledge and enhance their skill in land administration and management by undertaking Certificate III in Conservation and Land Management at Yallah TAFE and Certificate III in Government (Lands Administration).

Project Successes

The Crown Lands Division continued to meet its environmental, economic and social obligations through:

- Management of more than 12,000 leases and almost 18,000 licences, with a majority of these supporting our farmers by enhancing agricultural opportunities with land to graze animals, to farm exotic fruits in the north, sugar cane on the coast, wheat out west, and rice in the Riverina.
- Around 7,000 licences for domestic waterfront purposes providing for wharves, jetties, boat sheds and boat ramps, supporting recreational opportunities for waterfront residents and the general community.
- Management of commercial leases across the State for facilities including marinas, caravan parks, and waterfront restaurants.
- Support for the community by recognising community services obligations to non-profit organisations, charity groups, pensioner groups, and rural community encountering hardship by granting concessions to fees and annual rents.
- Management of 27 minor port facilities along the east coast of NSW supporting the local fishing and tourism industry and providing for community recreational use
- Promotion of revegetation and rehabilitation of a number of Crown land tenures in an on-going program to support the retention of native flora and fauna, and to assist in providing native wildlife with a natural habitat. This includes making rental incentives available to landholders to encourage rehabilitation in collaboration with local councils
- Provision for the extraction of resources on Crown land through licences for businesses and government authorities including local councils and the RTA for the use of gravel on major roadways, and the building industry for the use of sand to produce materials such as glass and concrete
- Provision of Crown land for the erection of communications towers to create mobile phone and emergency service networks across NSW, as well as improved radio and television transmission to our rural communities.
- Representation at the Commercial Leases Conference provided an opportunity to promote Crown Lands NSW to key stakeholders.
- Remediation of a site contaminated by diesel oil leakage at Tweed Harbour.
- Provision of learning opportunities to staff in Certificate III in Conservation and Land Management and Certificate III in Government (Lands Administration).
- A land assessment at Karuah on the Port Stephens Estuary of sixteen leases and license used for oyster depuration and processing activities.
- A land assessment of 616 hectares of Crown land in the Sydney northern suburbs of Belrose, Oxford Falls and Cromer. The assessment outcome determined that over 70% of the land would be conserved for environmental protection/community purposes while the remainder will be investigated for disposal.
- Dedication on 22 October 2004 of land at Baulkham Hills, Castle Hill, North Rocks and West Pennant Hills for the purposes of Preservation of Aboriginal Cultural Heritage, Preservation of Flora and Fauna and Public Recreation. Known as Bidjigal Reserve and comprising over 300 hectares, creation of the reserve resulted from the Bidjigal Reserve Deed of Agreement which was entered into by the Director General, on behalf of the Minister, in December 2003 to facilitate withdrawal of native title claim NC94/6 lodged on behalf of the Darug people. The Agreement, through creation of the reserve, allows for a consistent shared management and conservation of the land for the mutual benefit of the citizens of NSW, the local community and the descendants of the Darug people.
- Reservation of 1.4 hectares of land at Allambie Heights for community purposes. On 1 December 2004, the Hon Tony Kelly MLC, Minister for Lands, formally presented trust management of this reserve to the Sunnyfield Association. The Sunnyfield Association is an organisation dedicated to the care and vocational training of people with disabilities in NSW. The reserve will be used for a purpose-built centre housing therapy services and lifestyle improvement and development programs.

Major Initiatives

Major initiatives of the Crown Lands Division included:

- **Jobs for rural NSW**

Seven new jobs were created in the regional NSW town of Dubbo as part of the Dubbo Reform Processing Unit. The unit is being established to manage the statewide processing of leasehold conversions and Crown road closures and purchases.

To accommodate this new business unit, Dubbo's historic Lands office received a refurbishment including re-carpeting, fresh paint, the establishment of the unit manager's office, a conference room and up to 14 new workstations with desktop and networking facilities.

- **Funding for remedial works at Eden**

Funding of \$685,000 was provided to complete remedial work at the Eden Multipurpose Jetty at Snug Cove.

The Multipurpose Jetty at Snug Cove, Eden, was built in 1985 and provides safe berthing and unloading for a range of commercial vessels. In the late 1990's evidence of corrosion from salt attack on the jetty's reinforced concrete was identified.

Remediation required a two-stage approach. Stage One was completed in October 2003 at a total cost of \$475,000 and comprised patch repairs to reinstate damaged concrete and steel reinforcement.

Stage Two involved the installation of an electronic protection system to prevent corrosion of the steel reinforcing bars embedded within the concrete jetty.

The jetty is available to the Eden Commercial Fishing Fleet and is crucial to the ongoing economic viability of the local fishing and fish processing industries, which are major employers in this region.

Managed and maintained by the Crown Lands Division under the NSW Government's Minor Ports Program, the jetty has a replacement cost of \$10M and is one of the largest maritime assets managed by the department.

- **Walkers Promote Hume & Hovell Track**

In April 2005, the Minister for Lands, Tony Kelly, led a two-day trek along the Hume and Hovell Walking track to showcase the historic walk and entice more Australians to enjoy its pleasures.

The 440km track is the largest recreational project undertaken by the Department of Lands and has something for everyone from day walkers to serious hikers, nature lovers and history buffs.

Welcoming a group of community leaders, tourism operators and the media on day one, Mr Kelly said the track was a world-class walking experience.

The walkers followed parts of the route taken by explorers Hume and Hovell on their 1824 expedition from Lake George to Port Phillip.

The Hume and Hovell Walking Track starts at Cooma Cottage on the outskirts of Yass and finishes at the Hovell Tree on the banks of the Murray River in Albury.

- **Joint effort at Ulladulla Harbour**

The Crown Lands Division and Shoalhaven City Council worked in partnership to upgrade the walking surface on the Southern Breakwater at Ulladulla Harbour.

The works have provided a safer approach along the breakwater for the many people who use it for exercise and recreation every day.

The project complements work that Council already has underway within reserves on the northern and western sides of Ulladulla Harbour.

- **NSW provides sand for Palm Beach**

The NSW Minister for Lands, Tony Kelly, and the Queensland Minister for Environment, Desley Boyle, announced that agreement had been reached to make up to 70,000 cubic metres of sand available to the Gold Coast City Council for use in its sand nourishment project at Palm Beach.

The project to transport the sand from the mouth of the Tweed River to Queensland serves to both maintain a navigable entrance to the river and to restore the beaches on the southern Gold Coast.

The NSW and Queensland Governments' Tweed Sand Bypass Project is an important cross-border initiative to restore some of the most important beaches on the eastern seaboard.

- **Memorandum of understanding ensures historic rest areas remain available for use**

An agreement between the Department of Lands and the Rural Lands Protection Board has ensured that users of the Bicentennial National Trail can continue to seek safe refuge overnight on Travelling Stock Reserves.

The Bicentennial National Trail provides a "living history" of life in the Australian bush, following historic coach and stock routes, old packhorse trails, and country roads.

The agreement has ensured that the traditional experience of using some 60 Travelling Stock Reserves for safe refuge will continue for walkers who come from all over the world to walk, cycle and ride horses on this great trail.

The Bicentennial National Trail is a multi-use trail along the Great Dividing Range stretching between Cooktown in tropical North Queensland and Healesville in Melbourne - a distance of 5,330kms.

- **New office for growing Coffs community**

Crown Lands NSW has established a new office at Coffs Harbour this year. Coffs Harbour has enjoyed considerable growth over the past ten years and further growth has been predicted. Previously, the Crown land functions were carried out from the office at Grafton.

The new Lands office, located in the Coffs Jetty precinct, houses 10-12 staff working in Crown land management, surveying and valuation.

The new office brings more services for the local community and a greater focus on the unique land management issues facing Coffs Harbour and its magnificent coastline.

- **New look for walking track**

The Crown Lands Division built an observation deck, with spectacular views to Coolangatta Mountain, Gerringong and Kiama, on the Abraham's Bosom Walking Track.

The new deck provides a unique vantage point for walkers trekking the 9km walking track and is located close to the "Merimbula" Trigonometrical station. The deck provides a rest area and look out for users of the track.

The observation deck replaces the original lookout, which was burnt down about five years ago in a bushfire.

- **State Parks Conference**

The annual State Parks conference was held at Lake Glenbawn in October 2004.

The two-day conference provided an opportunity to bring representatives of all nine State Parks together to network, discuss new ideas and develop strategies to improve service to the many visitors who come every year to enjoy nature and the open space of the Parks.

This year the conference focused on bushfire management, reserve foreshore management and a fresh approach to the marketing of these important public assets.

- **Local land development to meet needs of expanding Tamworth community**

The Crown Lands Division has developed land at Tamworth in response to local demand for home sites, which was particularly strong over the past two years.

The development was part of the social responsibility of the department to provide land to meet the expanding needs of rural and regional communities.

This land development project was a win-win situation for the local community, who will benefit from much needed quality home sites, while the income from the sales will assist in providing essential public services.

Soil Conservation Service

Highlights for 2004/05

1. Major construction award won by Soil Conservation Service for construction and project management of the Tingha Sewerage Scheme pond system in North-Western NSW. Civil Contractor Federation, "Case" Earth Awards Category 1 - Environmental Excellence (project value up to 2 million) and the NSW Department of Environment and Conservation Sustainable Construction Awards were won for this project at a former derelict tin mining site. The project is now eligible for the CCF National awards later in the year and has been submitted for a NSW Premiers Public Sector Award.
2. New marketing procedures identified significant potential for expansion of the environmental consultancy operation. A range of marketing brochures in lands format were produced to assist these operations and to enhance tender documentation. Field days at Henty, Mudgee, Orange and Aquip were attended to promote Lands services and local operations.
3. Occupational Health and Safety (OH&S) procedures were enhanced with the completion of Foreshore procedures for fire fighting. Work has also commenced on revised procedures for plant operation during fire emergencies.
4. River operations in the Hunter during the year required major review and restructuring following a significant withdrawal of funding by DIPNR and transfer of the program to Hunter Central Rivers Catchment Management Authority (CMA). The river works teams went from a fully funded Government program to full commercial operation. With staff restructuring, negotiating works programs with the CMA and successfully bidding for commercial works, the group was able to cover all operational costs for the year.
5. Service agreements were successfully negotiated for River Operations in the Hunter with the Hunter Central Rivers CMA for Upper Hunter works and DIPNR in the Lower Hunter for flood mitigation maintenance works.
6. Negotiations with State Water commenced on the future management of foreshore lands currently managed by the Division on their behalf. The short fall in agistment income to operation costs was met by State Water.
7. Major environmental rehabilitation consultancies and conservation earthworks undertaken during the year included:
 - Department of Commerce, Tingha Sewerage Scheme ponds and infrastructure construction for \$723,182.
 - Blue Circle Southern Cement, rehabilitation of a former cement works site near Kandos for \$222,600.
 - Sydney Catchment Authority fire trail maintenance and repairs Warragamba and Metropolitan catchments and soil conservation works on their Riverlea property to a total value of \$677,724.
 - Mineral Resources of NSW for rehabilitation of derelict mine sites across NSW to the value of \$1.08 million.
 - Department of Education and Training design and construction of school ground rehabilitation works at 13 schools to the value of \$812,000.
 - Gunnedah Shire Council for construction of a lined cell for containment of solid and inert waste to the value of \$147,900.
 - Whitehaven, Namoi and Werris Creek Coal mines for mine rehabilitation, drainage and revegetation works in the Gunnedah area to the value of \$364,854.
 - Conservation earthworks banks and waterways on J Newnham, Warialda and R Blatchfords, Narrabri, rural properties to the value of \$109,000.
 - Roads and Traffic authority erosion and sediment control training pilot and six workshops to the value of \$60,000.
 - Initial works of \$109,000 for the ACT Government tender (Environment ACT) for fire trail maintenance and upgrade works in national parks.

Soil Conservation Service

Established in 1990 the Soil Conservation Service also known as Soil Services Division is a commercial operation within the Department providing soil and water conservation services to both rural and urban clients. Soil Conservation Service offers competitive and cost effective services and consultancy to land users for the assessment, development, implementation and promotion of best practice land and water use systems. Maintenance of State Government assets on behalf of other Government entities are also undertaken by the Division.

Senior Managers

Paul Jones, General Manager

B.Eng (Civil)

Certified Professional Erosion and Sediment Control (CPESC)

Garry Chapman, Area Manager Northern

Dip.Agr, CPESC

Col Adams, Area Manager Central

Dip.Agr, CEPSC

Michael Fletcher, Area Manager Eastern

Dip. Agr, CEPSC

Guy Van Owen, Area Manager Southern

B.Sc (Hons) MSc, Dip.Agr, CPESC

Aims and objectives

- provide a cost-effective conservation earthmoving service to protect and conserve the soil and water resource of NSW.
- set the industry standard for conservation earthworks design and construction.
- provide a specialist consulting service in environmental protection, resource planning and assessment, environmental engineering and training in soil and water conservation.
- assist the Department to meet its objective of managing the natural resources of NSW in a sustainable manner.

Range of services provided

Conservation Earthworks (Soilworks)

Through its plant hire scheme Soilworks, the Soil Conservation Service offers a cost competitive earthmoving service to design and implement soil and water conservation earthworks. These set the industry standard for quality.

The service specialises in the planning, design and construction of soil and water conservation earthworks. These works include:

- extensive conservation broadacre banking and waterway systems used to contain and divert runoff to stable disposal areas. These works complement conservation farming practices such as reduced and no-tillage to provide effective control of sheet, rill and gully erosion.
- conservation earthworks include dams, catch banks, waterways, contour banks and integrated watershed soil and water conservation schemes to harvest and store water for domestic use.

- grade reducing structures, gully head control, shaping and filling to stabilise actively eroding flow lines.
- mine restoration works, access tracks, poly pipe laying, sand dune shaping and other specialist works.
- Specialist works, such as concrete or rock lined chutes, pipe installation and revegetation.

Projects are undertaken on either a fixed fee or hourly rate basis. Subcontractors are often engaged to assist with the provision of specialist equipment such as excavators, scrapers and rollers.

Soil Consulting (Soilconsult)

Consultancy and contracting services are offered on a fully commercial basis in a broad range of areas associated with environmental protection, rehabilitation and education. Many of the consultancies undertaken involve the Soilworks teams, and enable the Soil Conservation Service to offer clients a complete package from planning, designing and layout through to final implementation. The work is founded on a thorough understanding of what is practical and cost effective and at all times is concerned with the protection of the environment. These practical skills and knowledge have also been packaged to provide well recognised training programs to the construction industry.

Services offered have expanded and include the following areas:

- resource planning and assessment.
- soil surveying and landscape mapping.
- soil and water testing services.
- catchment and property planning.
- erosion and sediment control on infrastructure developments.
- design and construction of soil and water conservation works.
- groundwater mapping and salinity control.
- vineyard, orchard and feedlot survey and design.
- rehabilitation and revegetation of degraded and disturbed areas.
- flood detention basins, drainage works and artificial wetlands.
- training in conservation earthmoving, urban erosion and sediment control, access track construction and rehabilitation techniques.
- coastal dune stabilisation and beach reclamation.

Consulting services are supported by National Association of Testing Authorities (NATA) registered soil and water testing laboratory at Scone and a hydroseeder / hydromulcher unit at Bathurst.

Operations

Services included under this category relate to maintenance of State Government assets on behalf of other Government entities on a full cost recovery basis.

- Flood Mitigation Works

This includes maintenance of assets constructed for flood mitigation and prevention under the Hunter Valley Flood Mitigation Act 1956. Under Memorandums of Understanding the Soil Conservation Service is offered the work required to be carried out under this program as well as that involved in the construction of new flood mitigation works funded from the Natural Disasters Relief Fund, for repairs to assets damaged by flooding. This year the Upper Hunter functions were transferred by Department of Infrastructure, Planning and Natural Resources (DIPNR) with significantly reduced funding to the local Catchment Management Authority (CMA). This necessitated restructuring of the works teams, negotiating new works programs with the CMA and sourcing of external work to cover operational costs of the team. The funding for the maintenance of assets in the Lower Hunter continues to remain with DIPNR.

- Great North Walk

The Great North Walk was established in the 1988 bicentennial year as a 250 kilometre walking track

from Sydney to Newcastle. The route includes Sydney Harbour, Lake Macquarie and the Newcastle coastline. The walk is managed and maintained by the Department with co-operation and assistance of NSW State Forests, Department of Environment and Conservation and 14 local councils. The physical on-ground maintenance works are undertaken by the Division's staff.

- Dam Foreshores

The Division is currently responsible for the operational management of the dam foreshores at Glenbawn, Glennies Creek, Lostock, Split Rock, Chaffey, Keepit and Copeton Dams. These 50,000 hectares are managed in accordance with management plans, ensuring their continued long-term stability and environmental protection. Soil Conservation Service staff are engaged in pest and weed control, asset maintenance, fire control and agistment management on a full recovery cost basis on behalf of NSW State Water.

Customers

Our clients include the landholders of NSW (primarily farmers and graziers), government agencies that include Catchment Management Authorities, Mineral Resources of NSW, Sydney Catchment Authority, the Roads and Traffic Authority, ACT Government, conservation groups (such as Landcare and Dunecare) and commercial companies.

Revenue received from client services varies from year to year with the following providing a profile by operational activity in respect to 2004/05:

Customers	Soilworks		Soilconsult		Operations		Total	
	\$000	%	\$000	%	\$000	%	\$000	%
Landholders	5,019	73.3	88	1.3	826	30.3	5,933	36.8
State Government	550	8.0	4,826	73.7	1,854	68.1	7,231	44.9
Local Government	139	2.0	847	12.9	44	1.6	1,030	6.4
Corporate	973	14.2	778	11.9	-	-	1,752	10.9
Other	163	2.4	13	0.2	-	-	176	1.1
Total	6,845	100	6,553	100	2,724	100	16,122	100

Over the last four years the Soilconsult customer base segment of the business has grown with Soilworks declining due to a lack of demand arising from the major drought conditions in NSW and a fleet reduction due to restructuring.

Significant Operations for Reporting Year

Soilworks sales at \$7.2 million (down 11% on the budgeted \$8.1 million), was attributed largely to the ongoing widespread drought conditions and the larger than budgeted fleet reduction. Chargeable plant hours were down 14% (964 hours) on the 2003/04 of 1138 hours per unit as major drought conditions continued, and significantly below the annual target of 1300 hours per unit (26%). A further fleet reduction of 7% (44 to 39 operational bulldozer units) impacted on potential for sales generation during the year. Approximately 32,536 hectares of land was treated with conservation earthworks including broadacre banks/waterways dams and sediment detention structures.

External consultancy sales totalled \$6.63 million (down by 15% on the high 2003/04 result) and 2% below the estimated budget for the year, was attributed to delays in receiving approval to fill existing consult vacancies. While the majority of clients continue to directly approach Soil Conservation Service as a preferred supplier to request project costing a number of jobs were won in open tender. Several projects are outlined in the Division's highlights for 2004/05.

Hunter Valley flood mitigation works, Great North Walking Track and dam foreshore programs were completed during the year to the value of \$2.72 million. River operation teams successfully sourced additional works in the latter part of the year to cover operational costs following DIPNR's significant reduction in funding to maintenance works in the Upper Hunter. Negotiations with State Water are continuing on foreshore management. State Water agreed to meet the \$200,000 shortfall in income to cover the operational costs of foreshore management during the year.

The Division's business plan was reviewed, updated and again submitted to Treasury in April 2005. A range of strategies identified in the December 2003 plan were progressed to improve the financial position of the division:

- A marketing plan was implemented for the year. New marketing material was prepared under the Lands banner for a range of Soil consult activities.
- Soilworks operational costs were further decreased through a reduction of the bulldozer fleet 44 to 39 operational units. Significantly the Taree and Bega plant teams closed with Soilworks plant now restricted to the tablelands and wheat belt areas of the state. With the leasing of 4 new units this allowed the disposal of 7 aged units.
- Workshop locations were rationalised from 6 to 3 with associated staff reductions.

Management, Strategy and Performance Review

The Division is committed to a Quality Management System and progressed towards certification to ISO ANZ 9001:2000 during the year. Quality documentation to the new standard was undertaken with a quality manual, operating procedures and revised forms prepared. Internal audits were undertaken at four offices with external accreditation audits proposed for October 2005.

Benefits of the system include a regular system review and staff assessment process, improved operational procedures for staff, improved customer service levels and external accreditation, a requirement for major client contracts.

Major Problems and Issues

The Soilworks operation continues to experience excessive fleet repair costs due to the ageing fleet. While progress was made during the year with the disposal of 7 units, 11 of the remaining fleet require replacement/disposal in 2005/06.

The profitable Soilconsult operation continues to provide a substantial stream of income for the division. Without expansion of this section of the operation through the filling of limited new positions the financial position of the division will continue to struggle.

The cost of providing conservation earthmoving services, previously assisted by the payment of a Community Service Obligation, are higher than the revenue gained. The Government's intention that the Division maintains traditional soil conservation services in rural NSW requires a financial recognition of the community benefits provided. These challenges will continue to be addressed in 2005/06.

Office of Rural Affairs

The Office of Rural Affairs provides support to the Minister for Rural Affairs and Government to achieve the Government's objectives and commitments to the people of New South Wales.

The Office of Rural Affairs undertakes this role by providing secretariat and policy support to the Regional Consultative Communities Council (RCCC), which is New South Wales' peak rural community advisory body.

The RCCC is an independent body, providing advice on a wide range of community matters and reports to the Premier and the Minister for Rural Affairs.

The Office of Rural Affairs has developed close links with stakeholders and communities across the state. Working within the framework of Government objectives, the Office assists in the identification of issues, policy gaps and opportunities and develops solutions that enhance service provision to the people and communities in country New South Wales.

Senior Manager

Fran Schonberg, Manager, Office of Rural Affairs

Management Strategy and performance review Financial

The Office of Rural Affairs, Department of Lands budget allocation includes funds related to the operation of the Regional Communities Consultative Committee (\$150,000) and employee and related operating costs of the Office itself (\$265,000).

No capital works funding was allocated to the Office in 2004/2005.

The Regional Communities Consultative Council (RCCC)

Established in August 1996, the RCCC is a standing advisory body comprised of thirteen members representing community interests, with an independent Chair and Deputy Chair.

A new Council was appointed in March 2005 for a two year term.

Member and their role or interest on the Council	No. of Meetings attended
Diana Gibbs, Chair	3
Lynda Summers, Deputy Chair & Health Sector Interests	3
John Ainsworth, representing Farmers' Interests	3
Fr Tim Carhill, representing Religious Interests	2
Michael Schultz, representing Environmental Interests	2
Rashmere Bahatti, representing Ethnic Community Interests	3
Dr Jock Fletcher, representing Health interests	3
Iris White, representing Aboriginal Community Interests	2
Michael Madden, representing Trade Union Interests	2
Simon Davies, representing Youth Interests	3
Tim Sheed, representing Business and Industry interests	2
Peter Quarmby, representing Social Services Interests -resigned 2004	2
Ruth Shanks, representing Women's Interests	2
Jenny Bonfield, representing Local Government Interests	2
Lyall Wilkinson, representing Education Interests	3

Some Highlights in 2004/2005

• State Government inquiry distribution network

Establishing a network with Non-Government Organisations to distribute State Government inquiry information to communities, groups and individuals across rural NSW. Through quicker distribution of inquiry information rural communities, groups and individuals have more time to develop submissions and provide their input into vital issues that affect their communities.

• NSW Rural Fire Service - Secondary Schools Cadet Program

In partnership with the NSW Fire Service a program was developed that allows young people in any country town to undertake rural fire service training. The program provides volunteer training as an alternate option within the schools sports curricula. Bathurst, Parkes, Bingara and Moree are some of the communities participating in the pilot program.



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

Department of Lands

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Department of Lands:

- (a) presents fairly the Department of Lands' financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 45E of the *Public Finance and Audit Act 1983* (the Act).

My opinion should be read in conjunction with the rest of this report.

The Director-General's Role

The financial report is the responsibility of the Director-General of the Department of Lands. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows, the program statement - expenses and revenues, the summary of compliance with financial directives and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Director-General in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Director-General had not fulfilled his reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Department of Lands,
- that the Department of Lands has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or

- on the assumptions used in formulating the budget figures disclosed in the financial report.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



S R Stanton CPA
Director, Financial Audit Services

SYDNEY
24 October 2005

DEPARTMENT OF LANDS
STATEMENT
OF
DIRECTOR-GENERAL

Pursuant to section 45F (1B) of the Public Finance and Audit Act 1983, I state that:

- (a) the accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the applicable clauses of the Public Finance and Audit Regulation 2000 and the Treasurer's Directions;
- (b) the statements exhibit a true and fair view of the financial position and transactions of the Department; and
- (c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



W. Watkins
Director-General
Department of Lands

Date *20 October 2005*



B. Costello
Acting Director, Financial Services
Department of Lands

Date *20 October 2005*

THE DEPARTMENT OF LANDS
Statement of Financial Performance
For the Year Ended 30 June 2005

		Actual	Budget	Actual
	Notes	2005 \$'000	2005 \$'000	2004 \$'000
Expenses				
Operating expenses				
Employee related	3(a)	88,339	114,210	107,089
Other operating expenses	3(b)	53,286	57,173	57,573
Maintenance		3,338	4,011	2,775
Depreciation and amortisation	3(c)	12,197	11,248	10,797
Grants and subsidies	3(d)	12,576	24,345	3,318
Borrowing costs	3(e)	575	282	321
Other expenses	3(f)	1,928	1,080	2,519
Total Expenses		172,239	212,349	184,392
Less:				
Retained Revenue				
Sale of goods and services	4(a)	151,424	145,214	150,695
Investment income	4(b)	4,171	2,158	4,351
Retained taxes, fees and fines	4(c)	3,139	3,000	3,118
Grants and contributions	4(d)	625	15,357	7,455
Other revenue	4(e)	5,241	1,384	2,467
Total Retained Revenue		164,600	167,113	168,086
Gain/(loss) on disposal of non-current assets	5	(232)	-	210
Net Cost of Services	26	7,871	45,236	16,096
Government Contributions				
Recurrent appropriation	6	56,923	55,037	40,000
Capital appropriation	6	1,757	2,152	1,400
Acceptance by the Crown Entity of employees benefits and other liabilities	9	3,498	2,547	4,936
Total Government Contributions		62,178	59,736	46,336
SURPLUS/(DEFICIT) FOR THE YEAR FROM ORDINARY ACTIVITIES	21	54,307	14,500	30,240
NON-OWNER TRANSACTION CHANGES IN EQUITY				
Net increase in asset revaluation reserve	21	180	-	153
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		180	-	153
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS.	21	54,487	14,500	30,393

The accompanying notes form part of these statements.

THE DEPARTMENT OF LANDS
Statement of Financial Position
As at 30 June 2005

	Notes	Actual 2005 \$'000	Budget 2005 \$'000	Actual 2004 \$'000
ASSETS				
Current Assets				
Cash	10	55,278	69,585	75,878
Receivables	11	23,739	19,327	20,389
Inventories	12	491	628	628
Other	16	4,448	1,393	1,393
Total Current Assets		83,956	90,933	98,288
Non-Current Assets				
Receivables	11	14,932	14,776	14,776
Inventories	12	1,396	1,306	1,306
Other financial assets	13	591	509	509
Property, Plant and Equipment	14			
Land and Buildings		58,076	57,833	56,943
Plant and Equipment		42,744	41,947	37,783
Infrastructure systems		16,026	1,100	-
Total Property Plant and Equipment		116,846	100,880	94,726
Total Non-Current Assets		133,765	117,471	111,317
Total Assets		217,721	208,404	209,605
LIABILITIES				
Current Liabilities				
Payables	17	45,787	42,807	42,947
Interest Bearing Liabilities	18	1,130	451	451
Provisions	19	10,481	5,364	11,066
Other	20	67	-	-
Total Current Liabilities		57,465	48,622	54,464
Non-Current Liabilities				
Interest Bearing Liabilities	18	14,452	5,572	5,497
Provisions	19	38,073	73,726	73,740
Other	20	112	160	160
Total Non-Current Liabilities		52,637	79,458	79,397
Total Liabilities		110,102	128,080	133,861
Net Assets		107,619	80,324	75,744
EQUITY				
Reserves	21	529	349	349
Accumulated Funds		107,090	79,975	75,395
Total Equity		107,619	80,324	75,744

The accompanying notes form part of these statements.

THE DEPARTMENT OF LANDS

Statement of Cash Flows
For the Year Ended 30 June 2005

		Actual	Budget	Actual
	Notes	2005 \$'000	2005 \$'000	2004 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(124,171)	(112,294)	(116,804)
Grants and subsidies		(12,576)	(24,345)	(3,318)
Borrowing costs		(575)	(282)	(321)
Other		(68,091)	(71,898)	(58,574)
Total Payments		(205,413)	(208,819)	(179,017)
Receipts				
Sale of goods and services		152,321	149,166	152,937
Retained taxes, fees and fines		3,129	-	3,330
Interest received		4,699	2,658	3,152
Other		9,540	27,066	9,377
Total Receipts		169,689	178,890	168,796
Cash Flows From Government				
Recurrent appropriation		56,923	55,037	40,000
Capital appropriation		1,823	2,152	1,400
Cash reimbursements from the Crown Entity		805	96	715
Net Cash Flows from Government		59,551	57,285	42,115
NET CASH FLOWS FROM OPERATING ACTIVITIES	26	23,827	27,356	31,894
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of Land & Buildings, Plant & Equipment		470	-	1,226
Purchases of Land & Buildings, Plant & Equipment		(18,244)	(17,402)	(14,857)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(17,774)	(17,402)	(13,631)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings and advances		-	75	-
Repayment of borrowings and advances		(3,604)	-	(166)
Contribution to the Treasury NSW		(23,049)	(16,322)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		(26,653)	(16,247)	(166)
NET INCREASE (DECREASE) IN CASH		(20,600)	(6,293)	18,097
Opening cash and cash equivalents		75,878	75,878	57,781
CLOSING CASH AND CASH EQUIVALENTS	10	55,278	69,585	75,878

The accompanying notes form part of these statements.

Consolidated Supplementary Financial Statements

Program Statement - Expenses and Revenues for the Year Ended 30 June 2005

AGENCY'S EXPENSES & REVENUES	Program 1*		Program 2*		Commercial Activity		Not Attributable		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Expenses										
Operating Expenses										
- Employee Related	25,345	27,058	10,089	10,458	52,905	69,573			88,339	107,089
- Other Operating Expenses	11,070	9,676	10,216	10,666	32,000	37,231			53,286	57,573
Maintenance	513	206	163	95	2,662	2,474			3,338	2,775
Depreciation and Amortisation	545	184	511	672	11,141	9,941			12,197	10,797
Grants and Subsidies	12,281	2,994	11	-	284	324			12,576	3,318
Borrowing Costs	-	1	39	42	536	278			575	321
Other Expenses	1,620	1,054	-	-	308	1,465			1,928	2,519
Total Expenses	51,374	41,173	21,029	21,933	99,836	121,286	-	-	172,239	184,392
Retained Revenue										
Sale of Goods and Services	1,674	1,348	16,177	18,760	133,573	130,587			151,424	150,695
Investment Income	787	1,022	353	5	3,031	3,324			4,171	4,351
Retained taxes, fines and fees	3,139	3,118	-	-	-	-			3,139	3,118
Grants and Contributions	625	7,041	-	414	-	-			625	7,455
Other Revenue	3,818	695	26	18	1,397	1,754			5,241	2,467
Total Retained Revenue	10,043	13,224	16,556	19,197	138,001	135,665	-	-	164,600	168,086
Gain / (Loss) on Disposal of Non Current Assets	-	-	-	-	-	110			(232)	210
NET COST OF SERVICES	41,331	27,950	4,403	2,635	(37,863)	(14,489)	-	-	7,871	16,096
Government Contributions**							(62,178)	(46,336)	(62,178)	(46,336)
NET EXPENDITURE/(REVENUE) FOR THE YEAR	41,331	27,950	4,403	2,635	(37,863)	(14,489)	(62,178)	(46,336)	(54,307)	(30,240)
ADMINISTERED EXPENSES & REVENUES										
Administered Expenses										
Transfer payments	-	-	-	-	-	-			-	-
Other	(60,962)	(164,583)	-	-	-	-			(60,962)	(164,583)
Total Administered Expenses	(60,962)	(164,583)	-	-	-	-	-	-	(60,962)	(164,583)
Administered Revenues										
Transfer receipts	115,383	53,042	-	-	-	-			115,383	53,042
Consolidated Fund	-	-	-	-	-	-			-	-
Taxes, fees and fines	-	-	-	-	-	-			-	-
Other	-	-	-	-	-	-			-	-
Total Administered Revenues	115,383	53,042	-	-	-	-	-	-	115,383	53,042
Administered Revenues less Expenses	54,421	(111,541)	-	-	-	-	-	-	54,421	(111,541)

* The name and purpose of each program are summarised in Note 8.

** Appropriations are made on an agency basis and not individual programs. Consequently, government contributions must be included in the "Not Attributable" column.

DEPARTMENT OF LANDS
Supplementary financial statements
SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES
FOR THE YEAR ENDED 30 JUNE 2005

	2005				2004			
	Recurrent Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure \$'000	Capital Appropriation \$'000	Expenditure \$'000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
* Appropriation Act	55,037	55,037	2,152	1,521	39,584	39,584	1,000	1,000
	55,037	55,037	2,152	1,521	39,584	39,584	1,000	1,000
OTHER APPROPRIATIONS / EXPENDITURE								
* Treasurer's Advance	-	-	63	63	-	-	-	-
* Transfers to/from another agency (S27 of the Appropriation Act)	1,886	1,886	173	173	416	416	400	400
	1,886	1,886	236	236	416	416	400	400
Total Appropriations Expenditure / Net Claim on Consolidated Fund (including transfer payments)	56,923	56,923	2,388	1,757	40,000	40,000	1,400	1,400
Amount drawn down against Appropriation		56,923		1,824		40,000		1,400
Liability to Consolidated Fund		-		67		-		-

Notes:

- 1 The summary of compliance is based on the assumption that Consolidated Fund moneys are spent first
- 2 The Liability to Consolidated Fund represents the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund"

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

1. REPORTING ENTITY

The Department of Lands (the Department), as the reporting entity, was created on 2 April 2003, following an administrative restructure. It is responsible for the provision of land and property related spatial information, the management of Crown lands and the provision of soil conservation and land management services. The land and property information activities are operated as a non budget-dependent activity through Land and Property Information (LPI) and the semi-commercial conservation and land management services through Soil Services (SS). These financial statements do not include the results of the Crown Entities administered by the Department, which are reported elsewhere. The Department primarily operates in New South Wales, Australia. The Head Office is located at 1 Prince Albert Road, Queens Square, Sydney NSW 2000.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The Department's financial statements are a general-purpose financial report, which has been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views;
- the requirements of the Public Finance and Audit Act and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncement of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

Except for certain investments, land and buildings and infrastructure assets, which are recorded at fair value, the financial statements are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency. The accounting policies adopted are consistent with those of the previous period.

b. Administered Activities

The Department administers, but does not control, certain activities on behalf of the Crown. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of the Department's own objectives. Transactions and balances relating to the administered activities are not recognised as the Department's revenues, expenses, assets and liabilities, but are disclosed in Notes 28 to 31 as "Administered Assets", "Administered Liabilities", "Administered Expenses", and "Administered Revenues".

The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of the administered activities.

DEPARTMENT OF LANDS**Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)****c. Revenue Recognition**

Revenue is recognised when the Department has control of the good or right to receive, it is probable that the economic benefits will flow to the Department and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below:

(i) Parliamentary Appropriations and Contributions from other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and donations) are recognised as revenues when the Department obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

The liability is disclosed in Note 20 as part of "Other current liabilities". The amount will be repaid and the liability will be extinguished next financial year.

Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services ie user charges. User charges are recognised as revenue when the Department obtains control of the assets that result from them.

(ii) Investment Income

Interest revenue is recognised as it accrues. Rent revenue is recognised in accordance with AAS 17 "Accounting for Leases". Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.

d. Employee Benefits and other provisions**(i) Salaries and Wages, Annual Leave, Sick Leave and On-costs**

Liabilities for salaries and wages (including non-monetary benefits), annual leave and vesting sick leave are recognised and measured in respect of employees' services to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

d. Employee Benefits and other provisions (*continued*)

(ii) Long Service Leave and Superannuation

The Department's liabilities (apart from the commercial and semi-commercial activities) for long service leave and superannuation are assumed by the Crown Entity. The Department accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value, based on the application of factors prescribed by TC03/08, to the amounts calculated using the actual remuneration rates for all employees with five or more years of service.

Superannuation expense for the financial year is determined by using the formula specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie Basic Benefit and First State Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

The Department's commercial (LPI) and semi-commercial (SS) activities are responsible for the employees' superannuation entitlements under the State Superannuation Scheme, State Authorities Superannuation Scheme and State Authorities Non-Contributory Superannuation Scheme. The superannuation liability under these schemes has been adjusted to reflect the liability as assessed by Pillar Administration. As advised by Pillar Administration Corporation, the commercial and semi-commercial activities make periodic contributions to the superannuation reserve account to discharge any emerging superannuation liabilities.

The Department's semi-commercial activities contribute up to 4.11% of the employees' salaries and wages to the Treasury Special Deposits (Extended Leave and Leave on Termination Pool) Account. This contribution which discharges all liability for long service leave is expensed as incurred. However, in accordance with Treasury requirements and AASB 1028 "Accounting for Employee Entitlements" the nominal value of long service leave is recognised both as a liability and as an asset.

(iii) Other Provisions

Other provisions exist when the Department has a present legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events. These provisions are recognised when it is probable that a future sacrifice of economic benefits will be required and the amount can be measured reliably.

Any provisions for restructuring are recognised when a detailed formal plan has been developed within prescribed time limits and where the entity has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring.

e. Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

f. Insurance

The Department's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience and external benchmarking.

DEPARTMENT OF LANDS

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

g. Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- the amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables and payables are stated with the amount of GST included.

h. Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Department. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Assets acquired at no cost or for nominal consideration are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the acquisition date. The discount rate used is the incremental borrowing rate being the rate at which a similar borrowing could be obtained.

i. Plant and equipment

Plant and equipment costing \$5,000 and above individually are capitalised. Individual items of computer equipment costing \$1,000 and above are capitalised when they form part of a network.

j. Revaluation of Physical Non-Current Assets

Physical non-current assets are valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 03-02). This policy adopts fair value in accordance with AASB 1041 from the financial years beginning on or after 1 July 2002. There is no substantive difference between the fair value valuation methodology and the previous valuation methodology adopted in the NSW public sector.

Where available, fair value is determined having regard to the highest and best use of the asset on the basis of current market selling prices for the same or similar assets. Where market selling price is not available, the asset's fair value is measured as its market buying price ie the replacement cost of the asset's remaining service potential.

Each class of physical non-current assets is revalued every five years and with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 June 2001 and was based on an independent assessment. Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

Otherwise, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(j). *Revaluation of Physical Non-Current Assets (continued)*

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within the same class of non-current assets but not otherwise. Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

k. *Assets Not Able to be Reliably Measured*

The Department does not hold assets that have not been recognised in the Statement of Financial Position.

l. *Depreciation of Non-Current Physical Assets*

Except for a limited number of heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Department. The normal life expectancies of major asset categories are as follows:

Asset Class	Number of Years
Buildings—Cottages and Dwellings/ Office Buildings/ Accommodation	40
Leasehold Improvements	Life of lease
Plant and Equipment	5-15
Computers	4
Motor Vehicles	5
Marine Craft	5
Furniture and Major Fitouts	10
Infrastructure Systems	50

Land is not a depreciable asset. The Department's heritage buildings have an extremely long useful life. Depreciation for these buildings cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

m. *Maintenance and Repairs*

The costs of maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

n. *Leased Assets*

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the inception of the lease. The corresponding liability is established at the same amount.

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

n. Leased Assets (*continued*)

Lease payments are allocated between the principal component and the interest expense. The Department does not have any finance leases.

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

o. Receivables

Receivables are recognised and carried at cost based on the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

p. Inventories

Inventories are stated at the lower of cost and net realisable value. In the case of raw materials and spare parts, cost is assigned on the basis of Weighted Average method. Work-in-progress cost is determined by specific identification method and includes direct materials, direct labour and an appropriate proportion of overheads determined by reference to the percentage completed on each contract.

q. Other financial assets

"Other financial assets" are recognised at fair value. For non-current "other financial assets", revaluation increments and decrements are recognised in the same manner as physical non-current assets. For current "other financial assets", revaluation increments or decrements are recognised in the Statement of Financial Performance.

r. Trust Funds

The Australian Bureau of Statistics commissions the mapping agencies of all States to provide certain services. A Memorandum of Understanding governs the operations of the Public Sector Mapping Agencies (PSMA). The Department acquired an investment of \$1 in one share in PSMA Australia Limited, being an incorporated joint venture of the Public Sector Mapping Agencies. The investment is reflected in the Department's financial statements in accordance with AAS14 "Accounting for Investments in Associates". (Refer to note 27)

s. Restricted Assets

Legislation or Treasury Directions impose restrictions on the use of certain assets of the Department.

The Department administers the Torrens Assurance Fund. The Torrens Assurance Fund was established under S134(1) of the Real Property Act 1900 as a Special Deposit Account administered by the Register-General. (Refer to note 15)

The Department administers the Public Reserves Management Fund (PRMF) which provides funds for the development, maintenance and protection of Crown land reserves throughout NSW. Crown reserves are generally managed by reserve trusts which are incorporated bodies administered by local government councils, volunteer boards of management or other responsible organisations such as Rural Lands Protection Boards. (Refer to note 15)

The PRMF was established by the Public Reserves Management Fund Act 1987.

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

t. Other assets

Other assets including prepayments are recognised on a cost basis.

u. Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfer of programs / functions and parts thereof between NSW public sector agencies is designated as a contribution by owners by NSWTC 01/11 and is recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Urgent Issues Group Abstract UIG 38 "Contributions by Owners Made to Wholly Owned Public Sector Entities". Transfers arising from an administrative restructure between government departments are recognised at the amount at which the asset was recognised by the transferor government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

v. Payables

These amounts represent liabilities for goods and services provided to the Department and other amounts, including interest. Interest is accrued over the period it becomes due.

w. Interest bearing liabilities

All loans are valued at current capital value; any finance lease liability is determined in accordance with AAS 17 "Leases".

x. Contribution to Consolidated Fund

The Department operates a commercial activity through Land and Property Information NSW. From this operation the Department pays income tax equivalents and dividends to the Consolidated Fund. Tax effect accounting is not required to be applied. Income tax is calculated by applying the prevailing company tax rate to profits earned by LPI after adjusting for any actuarial adjustments to unfunded superannuation impacting the statement of financial performance. In previous years, dividends were paid at the rate of 85% of after tax profit in two equal instalments, in August and December. For 2004-05, and future years, dividends are calculated at 85% of after tax profit adjusted for actuarial adjustments to unfunded superannuation.

y. Budgeted Amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year with any adjustments for the effects of additional appropriations, s 21A, s 24 and / or s 26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Statement of Financial Performance and the Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Statement of Financial Position, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts ie per the audited financial statements (rather than carried forward estimates).

DEPARTMENT OF LANDS

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

3. EXPENSES

3(a). EMPLOYEE RELATED EXPENSES

	2005 \$'000	2004 \$'000
Employee related expenses comprise the following specific items:		
Salaries & wages (including Recreation Leave)	80,693	86,545
Superannuation	(4,479)	4,754
Long service leave	4,624	6,807
Workers compensation insurance	759	1,047
Payroll tax and fringe benefits tax	6,296	5,738
Redundancies	446	2,198
	88,339	107,089

In addition to the \$88.339 million, \$877,416 was incurred in employee related expenses in respect of grants provided for Tweed River Sand Bypass project directly undertaken and/or managed by the Department. \$1,710,355 of salaries and wages were capitalised as part of computerisation project for titling system.

3(b). OTHER OPERATING EXPENSES

Valuation services contractors	10,893	9,453
Operating lease rental expense		
- Minimum lease payments	4,386	2,864
EDP – Information Technologies Services	2,884	3,904
Furniture, plant and equipment	667	631
Stores & Materials	3,735	5,798
Consultancies & Other Contractors	5,362	2,804
Promotion, publicity and events management	428	614
Travel expenses	1,220	1,169
Telecommunication expenses	2,489	2,023
Motor vehicle expenses	6,846	7,422
Insurance	2,986	3,405
Auditor's remuneration –audit or review of financial reports	293	284
Freight & postage	1,002	832
Legal fees	181	82
Staff related & development	949	898
Administration	1,434	2,209
Taxes	6,449	11,947
Bad & doubtful debts	115	738
Other	967	496
	53,286	57,573

In addition to the \$53.286 million, \$5.508 million was incurred in other operating expenses in respect of grants provided for Tweed River Sand Bypass project \$5,501,933 and Fishing Port annual provision \$6,068 directly undertaken and/or managed by the Department.

3(c). DEPRECIATION

Buildings and Leasehold Improvements	871	847
Plant and Equipment	10,976	9,950
Infrastructure Systems	350	-
	12,197	10,797

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

	2005 \$'000	2004 \$'000
3(d). GRANTS AND SUBSIDIES		
Tweed River Sand Bypass Project	7,818	-
Fishing Ports Annual Provisions	387	792
Public Reserve Management Fund	1,356	954
Rural Fire Service	20	-
Board of Surveying and Spatial Information	-	260
State Park Trusts	1,358	-
Other	1,637	1,312
	12,576	3,318

3(e). BORROWING COSTS

Interest payable on loans	42	42
Finance lease interest charges	533	279
	575	321

In addition to the \$575,000, \$1.03 million was incurred in borrowing cost in respect of grants provided for the Tweed River Sand Bypass project undertaken/or managed by the Department.

3 (f). OTHER EXPENSES

Fishing Port Maintenance	1,556	1,054
Waterways Maintenance	64	-
Torrens Assurance Fund	308	1,465
	1,928	2,519

4. REVENUES

4(a) SALE OF GOODS AND SERVICES

Title	103,009	101,017
Valuation	23,406	22,937
Mapping	3,117	3,657
Torrens Assurance Fund	3,228	2,017
Fees for Services	1,131	754
Soil Services	14,037	17,344
Search Fees	341	285
Agistment Fees	823	745
Other	2,332	1,939
	151,424	150,695

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

4(b) INVESTMENT INCOME

	2005	2004
	\$'000	\$'000
Rents	6	117
Interest	4,165	4,234
	4,171	4,351

4(c) RETAINED FEES

Caravan Park Levy	3,139	3,118
	3,139	3,118

4(d) GRANTS AND CONTRIBUTIONS

Contributions from Other Entities	625	7,439
Other	-	16
	625	7,455

4(e) OTHER REVENUE

Tweed River Sand Bypass Project – Queensland Government's contribution	3,158	-
Printing and publishing	922	418
Digital database sales	2	13
International projects	209	651
Corporate support	103	520
Other revenue	847	865
	5,241	2,467

Other revenue comprises Public Reserves Management Fund income and income from sale of surveyor maps etc.

5. GAIN / (LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

Gain/(loss) on disposal of land and buildings

Proceeds from disposal	-	-
Carrying value of assets disposed	(8)	(70)
Net (loss) on disposal of land and buildings	(8)	(70)

Gain/(loss) on disposal of plant and equipment

Proceeds from disposal	470	1,226
Carrying value of assets disposed	(694)	(946)
Net (loss)/ gain on disposal of plant and equipment	(224)	280

(Loss)/gain on disposal of Non-Current Assets	(232)	210
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DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

6. APPROPRIATIONS

	2005 \$'000	2004 \$'000
Recurrent Appropriations		
Total recurrent drawdowns from Treasury (per Summary of Compliance)	56,923	40,000
Less: Liability to Consolidated Fund (per Summary of Compliance)	-	-
Total	56,923	40,000
Comprising:		
Recurrent appropriations (per Statement of Financial Performance)	56,923	40,000
Total	56,923	40,000
 Capital Appropriations		
Total capital drawdowns from Treasury (per Summary of Compliance)	1,824	1,400
Less: Amount repaid for lapsed Appropriation	-	-
Less: Liability to Consolidated Fund (per Summary of Compliance)	(67)	-
Total	1,757	1,400
Comprising:		
Capital appropriations (per Statement of Financial Performance)	1,757	1,400
Total	1,757	1,400

7. INDIVIDUALLY SIGNIFICANT ITEMS

Included in expenses from ordinary activities is \$22.513m for superannuation expenses written back due to the income earned in the superannuation fund reserves (2004 - \$15.940m).

Subsequent to the LPI's financial statement for the financial year ended 30 June 2004 being signed off by the Audit Office NSW in October 2004, it was found that the income tax equivalent was calculated based on the accounting profit without adjusting for the actuarial adjustments of \$15.958m to unfunded superannuation impacting the statement of financial performance. This resulted in an overpayment of income tax equivalent of \$4.782m to Office of State Revenue and an under payment of dividend of \$4.064m to the Treasury NSW.

These amounts have been adjusted in the financial year ended 30 June 2005.

DEPARTMENT OF LANDS

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

8. PROGRAMS/ACTIVITIES OF THE DEPARTMENT**(a) Program 1 – Crown Lands Services**

Objectives: Effective and sustainable use of the Crown Estate of New South Wales to achieve economic, environmental, community and client benefits.

(b) Program 2 – Soil Conservation Services and The Office of Rural Affairs

Objectives: To achieve the protection and conservation of farm water supplies, soil and related resources. Facilitate the development of sustainable rural communities.

(c) Commercial Activity – Land and Property Information New South Wales

Objectives: To provide integrated and enhanced land and property information services through innovative use of information and communications technology and expand the range of services delivered online.

9. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

	2005 \$'000	2004 \$'000
The following liabilities and expenses have been assumed by the Crown Entity.		
Superannuation	2,368	2,157
Long service leave	988	2,650
Payroll tax on superannuation	142	129
	3,498	4,936

10. CURRENT ASSETS – CASH

Cash at bank and on hand	55,278	75,878
Closing Cash and Cash Equivalents	55,278	75,878

For the purpose of the Statement of Cash Flows, cash includes cash on hand and cash at bank. Cash recognised in the Statement of Financial Position is reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Cash at bank and on hand (per Statement of Financial Position)	55,278	75,878
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	55,278	75,878

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

11. CURRENT/NON-CURRENT ASSETS – RECEIVABLES

	2005 \$'000	2004 \$'000
Current Receivables:		
Sale of goods and services	11,565	9,050
Accrued income – Sale of goods and services	4,229	3,082
GST receivable	910	1,086
Short-term loans	5,375	4,927
Retained taxes, fees and fines	139	128
Interest Receivable	1,564	2,099
Long Service Leave (note 19)	284	298
Other	151	252
Less: Provision for doubtful debts	(478)	(533)
	23,739	20,389
Non-Current Receivables:		
Public Reserve Management Fund	12,380	12,096
Long Service Leave (note 19)	2,552	2,680
	14,932	14,776

12. CURRENT/NON-CURRENT ASSETS – INVENTORIES

Current Inventories		
At Cost		
Raw materials	-	9
Goods for resale	349	326
Consumables and spare parts	175	326
Provision for obsolescence	(33)	(33)
	491	628
Non-Current Inventories		
At Cost		
Goods for resale	1,396	1,306
	1,396	1,306

Raw materials are classified as current assets because they are used within a short time.
 Goods for resale (map stocks) are split 20% current and 80% non-current based on 5-year usage.
 There was no write down of inventories during the financial year ended 30 June 2005 (2004 - NIL).

13. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS

Non-Current		
Investment in Public Sector Mapping Authority (PSMA)	591	509
(Refer to Note 27)	591	509

Investment in PSMA is treated as non-current asset as it is not readily tradeable in the market and is the subject of a NSW Government Regulation that is unlikely to change in the short-term.

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

14. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	2005 \$'000	2004 \$'000
LAND AND BUILDINGS		
At Fair Value	60,243	58,240
Less:		
Accumulated Depreciation	<u>(2,167)</u>	<u>(1,297)</u>
	<u>58,076</u>	<u>56,943</u>
PLANT AND EQUIPMENT		
At Fair Value	93,231	79,463
Less:		
Accumulated Depreciation	<u>(50,487)</u>	<u>(41,680)</u>
	<u>42,744</u>	<u>37,783</u>
INFRASTRUCTURE SYSTEMS		
At Fair Value	16,376	-
Less:		
Accumulated Depreciation	<u>(350)</u>	<u>-</u>
	<u>16,026</u>	<u>-</u>
Total Property, Plant and Equipment at Net Book Value	<u>116,846</u>	<u>94,726</u>

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below:

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure systems \$'000	Total \$'000
2005				
Carrying amount at 1/07/04	56,943	37,783	-	94,726
Additions	2,012	16,527	-	18,539
Disposals	(8)	(694)	-	(702)
Revaluation increment	-	98	-	98
Depreciation expense	(871)	(10,976)	(350)	(12,197)
Transfer in due to Admin Restructure	-	6	16,376	16,382
Carrying amount at 30/06/05	<u>58,076</u>	<u>42,744</u>	<u>16,026</u>	<u>116,846</u>

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

15. RESTRICTED ASSETS

Legislation or Treasury Directions impose restrictions on the use of certain assets of the Department. As such, the following are considered to be restricted assets:

	2005 \$'000	2004 \$'000
<i>Public Reserve Management Fund</i>		
Current Assets:		
Cash	8,555	8,314
Receivables	5,375	4,927
	<u>13,930</u>	<u>13,241</u>
Non-Current Asset :		
Receivables	12,380	12,096
	<u>26,310</u>	<u>25,337</u>

Under Current Assets, Cash comprises Public Reserves Management Fund of \$8.555m (2004 - \$8.314 m). Receivables both current and non-current comprise Public Reserves Management Funds.

Public Reserve Management Fund (PRMF)

The Department administers the PRMF under the Public Reserve Management Fund Act 1987 within the Special Deposit Account in Treasury called the Public Reserves Management Fund. The fund is only to be used for grants and loans allocated for the following programs:

- a. Caravan park levy income development works
- b. Showgrounds assistance scheme
- c. Local parks, reserves and walking tracks
- d. Reserves of high visitation/regional significance
- e. Consultancies for plans of management and business plans
- f. Commercial initiatives on Crown reserves
- g. Major regional recreation projects (across a number of reserves) managed the Department of Lands.

Torrens Assurance Fund – Special Deposit Account

The Department operates the Torrens Assurance Fund within the Special Deposit Accounts. The Fund was established under Section 134(1) of the Real Property Act 1900. It meets claims for loss arising out of fraud or agency error and is funded by a \$4 charge on each land dealing lodged. The following is a summary of transactions in the Torrens Assurance Fund (note 24(a)).

Opening cash balance	8,825	8,273
<i>Add:</i>		
Revenue	3,228	2,017
<i>Less:</i>		
Expenditure	(308)	(1,465)
Cash balance at year end	<u>11,745</u>	<u>8,825</u>

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

16. CURRENT/NON-CURRENT ASSETS – OTHER

	2005 \$'000	2004 \$'000
Current Assets – Other		
Prepayments	1,659	1,393
Prepaid superannuation – SSS (Note 19)	2,789	-
	4,448	1,393

17. CURRENT LIABILITIES – PAYABLES

Accrued salaries, wages and on-costs	2,098	1,724
Creditors	9,677	5,633
Fees in Advance	2,392	1,746
Contributions to Consolidated Fund (note 21)	25,804	23,049
Income Tax Equivalent payable	4,928	9,034
Other	888	1,761
	45,787	42,947

18. CURRENT/NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES

Secured/Unsecured

Current Liabilities

Finance lease commitments	-	446
Promissory Note (unsecured)	1,125	-
Advance from Treasury (unsecured)	5	5
	1,130	451

Secured/Unsecured

Non-Current Liabilities

Finance lease commitments	-	2,323
Promissory Note (unsecured)	11,283	-
Advance from Treasury (unsecured)	3,169	3,174
	14,452	5,497

Repayment of Borrowings (excluding finance leases)

Not later than 1 year	1,130	5
Between 1 year and 5 years	5,620	21
Later than 5 years	8,831	3,153
Total borrowings at face value (excluding finance leases)	15,582	3,179

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

19. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

	2005 \$'000	2004 \$'000
Current employee benefits and related on-costs		
Recreation leave	5,881	6,482
Long service leave	4,054	3,865
Oncosts on employee benefits	499	679
Fringe Benefits Tax	47	40
Total provisions	10,481	11,066
 Non-Current employee benefits and related on-costs		
Recreation leave	3,885	4,046
Long service leave	30,356	31,926
Superannuation	2,684	34,482
Oncosts on employee benefits	1,148	3,286
	38,073	73,740
 Aggregate employee entitlements		
Provisions – current	10,481	11,066
Provisions – non-current	38,073	73,740
Accrued salaries, wages and on-costs (note 17)	2,098	1,724
	50,652	86,530

Superannuation liability

The Department's commercial and semi-commercial activities are responsible for funding the employer's superannuation liability through monthly contributions to the Department's reserve account held at the Pillar Administration. Superannuation payments to retiring employees are made out of this reserve account. Periodically the Department's reserve account balance is augmented by interest distributions made at the discretion of the Pillar Administration. The Department has no control over interest distributions. The reserve account can only be used for the settlement of superannuation liabilities.

Actuarial assessments for the defined benefit schemes: State Superannuation Scheme, State Authorities Superannuation Scheme and State Authorities Non-Contributory Superannuation Scheme (SSS, SASS and SANCSS) have been made for the year ended 30 June 2005 based on the full requirements of AAS25.

	Assessed Liability		Reserve Account		Superannuation Prepaid/(Deficit)	
	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
State Superannuation Scheme	205,696	199,000	208,485	168,936	2,789	(30,064)
State Authorities Superannuation Scheme	18,726	16,595	16,749	13,347	(1,977)	(3,248)
Sub-Total	224,422	215,595	225,234	182,283	812	(33,312)
State Authorities Non-Contributory Superannuation Scheme	14,890	13,692	14,183	12,522	(707)	(1,170)
Total	239,312	229,287	239,417	194,805	105	(34,482)

DEPARTMENT OF LANDS

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

19. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS (continued)

The Department's commercial and semi-commercial services' superannuation liabilities as at 30 June 2005 as assessed by Pillar Administration were based on the following key assumptions:

	2005 %	2006 %	2007 %
• Rate of Investment Return	7.0	5.2	5.2
• Rate of General Salary Increase	4.0	4.0	4.0
• Rate of Increase in CPI	2.5	2.5	2.5

Employees' long service leave liability

The Department's semi-commercial services' long service leave liability and the corresponding receivable from the Treasury are reported as follows:

	2005 \$'000	2004 \$'000
Current Liability	284	298
Non-Current Liability	2,552	2,680
	2,836	2,978
Current Receivable (note 11)	284	298
Non-Current Receivable (note 11)	2,552	2,680
	2,836	2,978

20. CURRENT/NON-CURRENT LIABILITIES - OTHER

Liability to Consolidated Fund	67	-
Interest free advance from Treasury (unsecured)	112	160
	179	160
Reported as follows:		
Current Liabilities	67	-
	67	-
Non-Current Liabilities	112	160
	112	160

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

21. CHANGES IN EQUITY

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Balance at the beginning of the financial year	75,395	68,167	349	196	75,744	68,363
Transactions with owners as owners						
Fair value of net assets transferred in on administration restructure (Note 22)	3,192	-	-	-	3,192	-
Contributions to Consolidated Fund	(25,804)	(23,049)	-	-	(25,804)	(23,049)
Transfers from asset revaluation reserve on administration restructure	-	37	-	-	-	37
Total	52,783	45,155	349	196	53,132	45,351
Other than transactions with owners as owners						
Surplus for the year	54,307	30,240	-	-	54,307	30,240
Increment on revaluation	-	-	180	153	180	153
Total	54,307	30,240	180	153	54,487	30,393
Balance at the end of the financial year	107,090	75,395	529	349	107,619	75,744

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Department's policy on the "Revaluation of Physical Non-Current Assets" as discussed in Note 2(j).

22. INCREASE IN NET ASSETS FROM EQUITY TRANSFERS

The Tweed River Entrance Sand Bypassing project, the River Entrance management and Waterways programs were transferred from the Department of Infrastructure, Planning and Natural Resource to the Department of Lands on 18 August 2004.

	2005 \$'000	2004 \$'000
Total Assets - Infrastructures and equipment	16,382	-
Total Liabilities – Promissory notes	(13,190)	-
Net assets	3,192	-

23. COMMITMENTS FOR EXPENDITURE

(a). Other Expenditure Commitments

Aggregate of other expenditure for the acquisition of items as detailed below contracted for at balance date and not provided for:

Not later than 1 year	13,043	12,698
Later than 1 year and not later than 5 years	10,438	11,370
Total (including GST)	23,481	24,068

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

23. COMMITMENTS FOR EXPENDITURE (continued)

(b). Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable for property, plant and equipment for varying contract periods/suppliers.

	2005 \$'000	2004 \$'000
Not later than 1 year	3,776	3,873
Later than 1 year but not later than 5 years	4,078	4,140
Total (including GST)	<u>7,854</u>	<u>8,013</u>

(c) Finance Lease Commitments

Not later than 1 year	-	446
Later than 1 year but not later than 5 years	-	1,783
Later than 5 years	-	2,229
Minimum lease payments	-	4,458
Less: future finance charge	-	(1,689)
Total (including GST)	<u>-</u>	<u>2,769</u>

Classified as:

Current	-	446
Non-current	-	2,323
	<u>-</u>	<u>2,769</u>

The total 'other expenditure commitments' and 'operating lease commitments' above include input tax credits of \$2.849 m (2004 - \$2.917m) that are expected to be recovered from the Australian Taxation Office.

24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) The Department maintains a special deposit account for claims arising through fraud or Departmental error (Torrens Assurance Fund). As at 30 June 2005 known claims were assessed to have an estimated gross liability of \$4.779 m (2004 - \$8.127m). These liabilities have been estimated on the assumption that all disputed claims will be lost by LPI branch.

(b) The Department may be liable for payment of compensation payments arising from claims and other matters subject to litigation. The amounts involved cannot be accurately determined and in some instances are subject to arbitration. These claims are covered by the Treasury Managed Fund, and are not expected to exceed \$5.4 m (2004 - \$7.4m). In addition, applications for native title under the Native Title Act 1993 and Aboriginal Land Rights Act 1983 have been made over various areas of land and water in New South Wales which might ultimately result in a liability being incurred by the Department. It is not possible to estimate this potential liability.

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

25. BUDGET REVIEW

STATEMENT OF FINANCIAL PERFORMANCE

Net Cost of Services

The Employee related expenses comparison between Budget and Actual was primarily impacted by the positive earnings on superannuation reserve assets, which in turn reduced the superannuation expense by \$21 million.

In respect to Other operating expenses actual expenses were less than budget by \$3.9 million. This was primarily caused by lower than expected Torrens Assurance Fund claims (\$2.7 million) and other operating cost savings achieved.

Grants & subsidies expenditure reflects the Australian Accounting Standard requirement to eliminate payments made between divisions of the same economic entity. As a result the community service obligation subsidy paid to LPI in 2004/05 is not included in these accounts. This is the reason for the lower than budget expenditure in this area.

Retained revenues in 2004/05 increased against Budget in the areas of cost recovery from Queensland (Tweed River Sand Bypassing project) \$3.2 million and interest on invested funds \$2 million. Revenue from the sale of goods and services remained relative in total to the previous financial year, where the Budget was based on an expected decline against 2003/04 actual levels. Grant and contributions income appears to have fallen in 2004/05 where in fact this presentation is due to the accounting treatment required as mentioned in the previous paragraph.

STATEMENT OF FINANCIAL POSITION

Assets and Liabilities

Non current assets increased by \$16 million during 2005 following the transfer in August 2004 of the Tweed River Sand Bypassing infrastructure from the Department of Infrastructure Planning and Natural Resources.

Current liabilities increased by \$3 million due to the provision for tax equivalent and dividends owed to NSW Treasury on the Land and Property Information business. Non current employee liabilities declined by \$36 million. The major components were payments made to Pillar Administration during the financial year and the above benchmark returns achieved on invested employee and employer reserve assets (refer to note 19).

Interest bearing liabilities increased by \$10 million due to the promissory notes for the Tweed River Sand Bypass project of \$12.4 million and the payment of the Bathurst building finance lease liability of \$2.3 million.

Cash Flows

Net operating cash flows reflect the slow down in the property related transactions and increased payment in respect to superannuation liabilities of Land and Property Information business.

Investing cash flows reflect the capital asset investment strategy for the Department with the majority of this investment in 2004/05 in new and improved business systems and information technology infrastructure.

DEPARTMENT OF LANDS

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

26. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2005 \$'000	2004 \$'000
Net Cash flow from / (used in) Operating Activities	23,827	31,894
Depreciation	(12,197)	(10,797)
Non-cash revenue	297	-
Acceptance by the Crown Entity of		
Employee entitlements and other liabilities	(2,693)	(4,221)
Net (loss)/gain on sale of non-current assets	(232)	210
Cash flows from Government	(59,552)	(42,115)
Decrease in Provisions	36,184	13,463
(Decrease)/increase in Receivables	6,560	4,750
(Decrease) in Inventories	(47)	(190)
Decrease/(increase) in Current liabilities	(18)	(9,090)
Net Cost of Services	(7,871)	(16,096)

27. TRUST FUNDS**Public Sector Mapping Agency (PSMA)**

Refer to note 2 (r)

Opening accumulated surplus/(deficit) at start of the year	4,071	2,850
Income earned during the year	3,531	2,807
Less:		
Expenses paid during the year	(2,871)	(1,586)
Accumulated surplus/(deficit) at end of the year	4,731	4,071

The Department has a one-eighth (1/8) equity in the closing accumulated surplus, ie:

Accumulated surplus/(deficit) at end of the year	591	509
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28. ADMINISTERED ASSETS AND LIABILITIES

	Crown Leasehold \$'000	Land Development Working Acct \$'000	2005 \$'000	2004 \$'000
Administered Assets				
Cash	8,607	40,644	49,251	26,670
Receivables	49,566	687	50,253	45,071
Land in course of development	-	12,024	12,024	6,802
Vacant Crown land & Land under Tenure	4,538,692	-	4,538,692	4,379,242
Total Administered Assets	4,596,865	53,355	4,650,220	4,457,785
Administered Liabilities				
Unearned revenue	25,320	-	25,320	11,852
Accounts payable & provisions	4,990	33,212	38,202	13,490
Liability to Consolidated Fund	337	-	337	3,010
Amount due to Crown Leasehold	-	11,157	11,157	9,591
Treasury advance	-	3,000	3,000	3,000
Total Administered Liabilities	30,647	47,369	78,016	40,943

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

29. ADMINISTERED REVENUE - DEBTS WRITTEN OFF

Administered debts for lease income of \$292,871 were written off during the year (30 June 2004-\$35,301).

30. ADMINISTERED REVENUE - SCHEDULE OF UNCOLLECTED AMOUNTS

	2005 \$'000	2004 \$'000
Analysis of uncollected amounts in respect of Land revenue –		
Crown Leasehold:		
Less than 90 days	10,094	3,724
Greater than 90 days	17,411	14,812
	27,505	18,536
Less: Provision for doubtful debts	3,956	4,173
	23,549	14,363
Amounts not yet called	26,017	27,288
Total	49,566	41,651

31. ADMINISTERED REVENUE AND EXPENSES

	Crown Leasehold \$'000	Land Development Working Acct \$'000	2005 \$'000	2004 \$'000
Revenue	69,825	45,558	115,383	53,042
Expenses	(44,238)	(16,724)	(60,962)	(164,583)
Operating surplus/(loss)	25,587	28,834	54,421	(111,541)

Details of Crown revenue collected by the Department and remitted to the Treasury:

Land sales, term purchase instalments and other misc land sales	25,449	10,831
Leases, licences and related land receipts	37,919	28,877
	63,368	39,708

32. FINANCIAL INSTRUMENTS

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation 11.00 am unofficial cash rate adjusted for a management fee to Treasury. Interest is reported in the financial statements as it is earned. For the purposes of the Statement of Cash Flows, cash comprises cash on hand and at bank and short-term deposits at call.

Receivables

All trade and other debtors are recognised as amounts receivable at balance date. Collectability of all debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are generally made on 30 day terms.

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

32. FINANCIAL INSTRUMENTS (continued)

Bank Overdraft

The Department does not have any bank overdraft facility.

Trade Creditors and Accruals

The liabilities are recognised for amounts due to be paid in the future for goods or services received whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made not later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was paid during the year (30 June 2004-Nil). The carrying amount approximates net fair value.

Interest Bearing Liabilities

The interest bearing liabilities are the promissory notes issued by ANZ bank which are used to fund the Department's Tweed River Sand Bypass project jointly with Queensland government. New South Wales government owns 75% of the project and 25% owned by the Queensland government. The total face value of the promissory notes is \$21million, 75% of which is recognised by the Department as interest bearing liabilities. The promissory notes are repayable in 12 year term with 4 quarterly repayments a year.

(a) Interest Rate Risk

			Fixed Interest Rate Maturities				
	Weighted Average Effective interest rate	Floating Interest Rate	1 year or less	1 to 5 years	More than 5 Years	Non Interest Bearing	Total Carrying Amount As per the Statement of Financial Position
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2005							
Financial Assets							
Cash	4.33	55,278	-	-	-	-	55,278
Receivables	4.43	17,755	-	-	-	20,916	38,671
Total Financial Assets		73,033	-	-	-	20,916	93,949
30 June 2004							
Cash	4.18	75,878	-	-	-	-	75,878
Receivables	3.75	17,023	-	-	-	18,142	35,165
Total Financial Assets		92,901	-	-	-	18,142	111,043
30 June 2005							
Financial Liabilities							
Payables		-	-	-	-	45,787	45,787
Interest Bearing	8.81	-	1,130	5,615	8,837	-	15,582
Other		-	-	-	-	179	179
Total Financial Liabilities			1,130	5,615	8,837	45,966	61,548
30 June 2004							
Payables		-	-	-	-	42,947	42,947
Interest Bearing	1.3	-	5	21	3,154	-	3,180
Finance lease	9.75	-	446	1,783	540	-	2,769
Other		-	-	-	-	160	160
Total Financial Liabilities			451	1,804	3,694	43,107	49,056

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

32. FINANCIAL INSTRUMENTS (*continued*)

(b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract/or financial position failing to discharge a financial obligation thereunder. The Department's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

33. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Department of Lands NSW will apply the Australian Equivalents to International Financial Reporting Standards (AEIFRS) from 2005-06.

The following strategy is being implemented by the Department to manage the transition to AEIFRS:

- Forming AEIFRS steering committee
- Send steering committee members to attend AEIFRS seminars
- Engaging accounting professional to provide expert advice
- AEIFRS Business Impact Analysis
- Changes to systems, processes and policies
- Train staff
- Implementation

To date, the Department has sent the financial steering committee members to attend seminars on AEIFRS implementation issues and AEIFRS annual reports presentation and disclosures sponsored by the NSW Treasury and the CPA Australia. The consultants from the accounting firm, Deloitte, have been engaged to provide the expert advice to the steering committee. The AEIFRS business impact analysis and the revised opening balance in compliance with AEIFRS have also been completed.

The Department has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates").

The Department has referred to AASB 136 – Impairment of Assets, the draft HOTARAC (Head of Treasuries Accounting and Reporting Advisory Committee) policy for the definition of 'a not-for-profit entity' and has considered the following factors in determining the status of a 'not-for-profit' entity for the Department

DEPARTMENT OF LANDS

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

33. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- Statements by owners about objectives of the entity
- Governance framework-extent that private sector type frameworks apply
- Purpose, nature and extent of funding from owners
- Targeted financial performance of the entity, agreed between owners and board/management
- Classification under Government Finance Statistics (GFS)
- Comparison with Treasury's previous approach

Shown below are management's best estimates as at the date of preparing the 30 June 2005 financial report of the estimated financial impacts of AEIFRS on the Department's equity and profit/loss.

The Department does not anticipate any material impacts on its cash flows. The actual effects of the transition may differ from the estimated figures below because of pending changes to the AEIFRS, including the UIG Interpretations and / or emerging accepted practice in their interpretation and application. The Department's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

(a) Reconciliation of key aggregates

Reconciliation of equity under existing Standards (AGAAP) to equity under AEIFRS:			
	Notes	30 June 2005** \$'000	1 July 2004* \$'000
Total equity under AGAAP		107,619	75,744
Adjustments to accumulated funds			
Effect of valuing assets individually rather than by class	1	-	-
Grants [AASB 120]	2	-	-
Recognition of major inspection costs	3	-	-
Recognition of restoration costs	4	-	-
Write back asset revaluation reserve for investment properties	5	-	-
Derecognition of intangible assets	6	-	-
Derecognition of capitalised interest	7	-	-
Defined benefit superannuation adjustment of change in discount rate	8	(88,625)	(45,168)
Effect of discounting long-term annual leave	9	-	-
Tax effect adjustment	10	-	-
Adjustments to other reserves			
Effect to valuing assets individually rather than by class	1	-	-
Write back asset revaluation reserve for investment properties	5	-	-
Write back asset revaluation reserve for intangibles	6	-	-
Capitalised interest derecognised	7	-	-
Tax effect adjustment	10	-	-
Total equity under AEIFRS		18,994	30,576

*=adjustments as at the date of transition
 **=cumulative adjustments as at date of transition plus the year ended 30 June 2005

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

33. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Reconciliation of surplus / (deficit) under AGAAP to surplus / (deficit) under AEIFRS:		
Year ended 30 June 2005	Notes	\$'000
Surplus / (deficit) under AGAAP		54,307
Grants [AASB 120]	2	-
Major inspection costs	3	-
Restoration costs	4	-
Investment properties	5	-
Research costs expensed	6	-
Borrowing costs expensed	7	-
Defined benefit superannuation	8	(43,457)
Long term annual leave	9	-
Income tax expense	10	-
Assets held for sale	11	-
		-
Surplus / (deficit) under AEIFRS		10,850
Based on the above, if AEIFRS were applied in 2004/05 this would increase the Net Cost of Services from \$7.871m to \$51.328m		

Notes to tables above

1. AASB 116 Property, Plant and Equipment require for-profit entities to recognise revaluation increments and decrements on an individual asset basis, rather than a class basis. This change will decrease accumulated funds and increase the asset revaluation reserve.
2. AASB 120 Accounting for Government Grants and Disclosure of Government Assistance requires for-profit entities to recognise grant income over the period necessary to match related costs. This has the effect of delaying revenue recognition and increasing liabilities. Under current AGAAP, grants are normally recognised on receipt. It is possible that AASB 120 may be amended to adopt the approach in AASB 141 Agriculture where grants are recognised as revenue when conditions are satisfied. However, at this stage, the timing and dollar impact of these amendments is uncertain.
3. AASB 116 requires major inspection costs to be capitalised, where these are currently expensed. This will require that fair value and depreciation of the related asset to be re-allocated.
4. AASB 116 requires the cost and fair value of property, plant and equipment to be increased to include the estimated restoration costs, where restoration provisions are recognised under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. These restoration costs must be depreciated and the unwinding of the restoration provision must be recognised as a finance expense. This treatment is not required under current AGAAP.
5. Under AASB 140 Investment Property and Treasury's indicative mandates investment property will be recognised at fair value. In contrast to their current treatment as property, plant and equipment, investment property recognised at fair value will be not be depreciated and changes in fair value will be recognised in the operating statement rather than the asset revaluation reserve. This means that any asset revaluation reserve balances relating to such property will be written back to accumulated funds

DEPARTMENT OF LANDS

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

33. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

6. AASB 138 Intangible Assets requires all research costs to be expensed and restricts the capitalisation of development costs. Current AGAAP permits some research and development costs to be capitalised when certain criteria are met. As a result, some currently recognised intangible assets will need to be derecognised. Further, intangibles can only be revalued where there is an active market, which is unlikely to occur. Therefore, revaluation increments and decrements will need to be derecognised and intangible assets recognised at amortised cost.

The application of AASB 138 will also result in certain reclassifications from property, plant and equipment to intangible assets (e.g. computer software and easements)

7. Current AGAAP requires borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised and other borrowing costs to be expensed.

AASB 123 Borrowing Costs provides the option to expense or capitalise borrowing costs. NSW Treasury's indicative mandate requires all General Government Sector agencies except PTEs to expense all borrowing costs to harmonise with Government Finance Statistics reporting. This reduces the recognised value of assets and reduces profits.

8. AASB 119 Employee Benefits requires the defined benefit superannuation obligation to be discounted using the government bond rate as at each reporting date, rather than the long-term expected rate of return on plan assets. Where the superannuation obligation is not assumed by the Crown, this will increase the defined benefit superannuation liability (or decrease the asset for those agencies in an overfunded position) and change the quantum of the superannuation expense.
9. AASB 119 requires present value measurement for all long-term employee benefits. Current AGAAP provides that wages, salaries, annual leave and sick leave are measured at nominal value in all circumstance.
10. AASB 112 Income Taxes uses a balance sheet approach which requires the differences between the accounting and tax value of assets and liabilities to be recognised as deferred tax assets or liabilities. Current AGAAP uses an operating statement method that accounts for tax by adjusting accounting profit for temporary and permanent differences to derive taxable income. The AASB 112 approach alters the quantum and timing of tax assets and liabilities recognized. In particular, the balance sheet approach results in the recognition of a deferred tax liability in relation to revalued assets that is generally not recognised under current AGAAP. This also changes the quantum and timing of the tax expenses.
11. AASB 5 Non-Current Assets Held for Sale and Discontinued Operations requires non-current assets classified as 'held for sale' to be reclassified as current and recognised at the lower of the carrying amount and the fair value less costs to sell. Unlike current AGAAP, 'held for sale' assets are not depreciated, thereby reducing the depreciation expense.

DEPARTMENT OF LANDS
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

33. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

(b) Financial Instruments

In accordance with NSW Treasury's indicative mandates, the Department will apply the exemption provided in AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards not to apply the requirements of AASB 132 Financial Instruments: Presentation and Disclosures and AASB 139 Financial Instruments: Recognition and Measurement for the financial year ended 30 June 2005. These Standards will apply from 1 July 2005. None of the information provided above includes any impacts for financial instruments. However, when these Standards are applied, they are likely to impact on retained earnings (on first adoption) and the amount and volatility of profit / loss. Further, the impact of these Standards will in part depend on whether the fair value option can or will be mandated consistent with Government Finance Statistics.

(c) Grant recognition for not-for-profit entities

The Department will apply the requirements in AASB 1004 Contributions regarding contributions of assets (including grants) and forgiveness of liabilities. There are no differences in the recognition requirements between the new AASB 1004 and the current AASB 1004. However, the new AASB 1004 may be amended by proposals in Exposure Draft (ED) 125 Financial Reporting by Local Governments. If the ED 125 approach is applied, revenue and / or expense recognition will not occur until either the Department supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied. ED 125 may therefore delay revenue recognition compared with AASB 1004, where grants are recognised when controlled. However, at this stage, the timing and dollar impact of these amendments is uncertain.

END OF AUDITED FINANCIAL STATEMENTS

Department of Lands

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The Hon Tony Kelly MLC
Minister for Justice,
Minister for Juvenile Justice,
Minister for Emergency Services,
Minister for Lands, and Minister for Rural Affairs
Level 34
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Dear Minister

In accordance with the Surveying Act, 2002 the Board of Surveying and Spatial Information submits the following report for the 2004/2005 financial year.

This report has been prepared in accordance with the Annual Reports (Statutory Bodies) Act 1984 and the Public Finance and Audit Act 1983.

I commend this report to you.

Yours sincerely

A handwritten signature in black ink, reading 'Warwick Watkins'.

Warwick Watkins

President of the Board of Surveying and Spatial Information

Surveyor General of New South Wales



New South Wales Government

The Board of Surveying and Spatial Information

The Board of Surveying and Spatial Information (the Board), constituted under the Surveying Act, 2002, to provide for the registration of land and mining surveyors, is the statutory body responsible for standards in surveying and spatial information in New South Wales and advises the Minister on spatial information.

Functions of the board

The principal functions of the Board are:

- the registration of land and mining surveyors.
- the investigation of surveyor's licensing schemes in other States and Territories, and the provision of advice to the Minister in connection with the recognition of the qualifications and experience of surveyors registered or licensed under such schemes.
- the investigation of complaints against registered land and mining surveyors.
- the taking of disciplinary action against registered land and mining surveyors.
- the investigation of matters referred to it by the Minister for advice or report in relation to surveying or any other aspect of the spatial information industry.
- the investigation of, and the provision of advice to the Minister with respect to, the practice to be followed in the conduct of surveys or in the collection, collation and dissemination of any other kinds of spatial information.
- the provision of advice to the Minister with respect to any other matter in connection with the administration of this Act.

Other functions of the Board include:

- the monitoring of Acts and Regulations concerning matters which are related to, or form part of, surveying.
- the maintenance of reciprocal arrangements for registered surveyors between the States and Territories of Australia and with New Zealand.
- the monitoring of trends in surveying in the States, Territories and New Zealand.
- the maintenance of acceptable levels of assessment of the ability and competence of persons seeking registration, to service the community's needs in surveying.

- the maintenance of liaison with the surveying profession in monitoring the performance, training and continuing professional development and education of surveyors.
- advice to the Surveyor General on matters concerning the State Control Survey and surveying generally.
- the sponsoring of workshops and seminars on topics and issues which affect the profession and the community.
- assistance in the development of educational and training programs to achieve the highest level of academic standard and professional competence.
- any other functions as are conferred or imposed on it by or under this or any other Act or law.

Aims and objectives

- to maintain the register land and mining surveyors
- to grant registration to surveyors under the provisions of the Surveying Act 2002 if:
 - (a) they hold a prescribed qualification
 - (b) they satisfy the Board, at prescribed examinations conducted by the Board, that they are fit to practice
 - (c) they satisfy the Board that they are registered as a land surveyors in another prescribed State or Territory of Australia or within New Zealand
- to investigate the conduct of a registered land or mining surveyor where a complaint is received.
- to define the scope of spatial information, identify key spatial industry stakeholders, develop communication and promotion strategies and benefits for the Board, the public and private sectors.
- to identify a vision for spatial information.
- to develop policies, assess and recommend quality standards for collection, collation, management and dissemination of all identified types of spatial information relevant to the NSW SDI.
- to formulate procedures for the evaluation of data.
- to set minimum competency standards for collection, collation and dissemination of spatial information.
- to promote quality management procedures for spatial information.
- to encourage SI practitioners to undertake appropriate education and relevant continuing professional development to maintain competency.
- to identify suitable skilled resources for the evaluation of matters referred by the Minister.

Membership, Board of Surveying and Spatial Information

There are between ten and twelve members on the Board as defined by the Surveying Act, 2002, two advisers to the Board and one observer. The Registrar also attends Board meetings. During the reporting year the Board met formally on five occasions. Meetings were held in Sydney, Canberra and Kurri Kurri to enable the Board to be more accessible to the surveying profession. At each of the country meetings the Board was able to meet with surveyors from nearby regions.

Member	Role	Meetings
Mr Warwick Watkins AMP:ISMP (Harv), M NatRes, DipScAgr, HDA (Hons)	Surveyor General of NSW	5 meetings
Mr Paul Harcombe B Surv (UNSW), M Geom (Melb)	Chief Surveyor Department of Lands	4 meetings
Mr Colin Weatherby TCP Dip (Sydney)	Nominee Institute of Surveyors NSW Inc	1 meetings
Mr Mark Gordon B Surv (Hons)	Nominee of Institute of Surveyors NSW Inc	5 meetings
Mr Andrew Campbell M SurvSc (UNSW), M Planning (UTS)	Nominee Institute of Surveyors NSW Inc	5 meetings
Mr Michael Elfick DSurv (Newcastle) Dip Surv Sc (Sydney)	Dip Town Planning (Sydney)	3 meetings
Nominee Institute of Surveyors NSW Inc		
Mr Phillip Orr B Surv (Hons)	Nominee of Australian Institute of Mine Surveyors Limited (AIMS)	3 meetings
Mr Richard Bartholomew B Land Management (Sydney), Eng Survey Cert, Land & Eng Survey Cert	Nominee of Australasian Urban Regional Information Systems Association (AURISA) - NSW Chapter	5 meetings
Mr Robert Regan B Mining Engineering (Hons 1)	Nominee of Minister for Mineral Resources	5 meetings
Mr David Bruce B Surv (Hons) (UNSW)	Nominee of Australasian Urban Regional Information Systems Association (AURISA) - NSW Chapter	4 meetings
Mr Colin Mitford Surv Cert	Nominee of Australasian Urban Regional Information Systems Association (AURISA) - NSW Chapter	5 meetings
Ms Margaret Hole AM, Diploma in Law, Barristers Admission Board	Nominee of the Minister for Fair Trading	5 meetings
Professor John Fryer FISA, B Surv (UNSW), PhD (UNSW)	Nominee of the University of Newcastle	5 meetings
Ms Anna Allen M Surv Sc (UNSW), B Eng Surv (Pol)	Adviser to the Board	5 meetings
Mr Grahame Wallis B Surv (UNSW)	Adviser to the Board - cadastral surveying matters	5 meetings
Mr David Dobson Adv Dip Acc (CIT), Registered Surveyor, ACT Commissioner for Surveys	Observer at meetings	2 meetings
Mr Ronald Jarman acting ACT Commissioner for Surveys	Observer at meetings	2 meetings
Mr Frank Blanchfield Assoc Surv (RMIT), ACT Commissioner for Surveys	Observer at meetings	2 meetings
Mr Graham Leatherland RFD, Cart Cert, HCart Cert	Registrar	5 meetings

Administration

Administrative support to the Board is undertaken by a small secretariat, which includes the Registrar, one full time statutory assistant and one part time statutory officer. Employees of the Department of Lands provide further support.

The Board is primarily funded by fees levied on surveyors and also some contributions from spatial information stakeholders. All costs associated with administration of the Board were met from fees received.

Review of operations

The Board's responsibilities include:

Qualifications

- Keep a register of names of persons registered as surveyors, their addresses and qualifications.
- Register surveyors by Certificate of Competency awarded by the Board, and under the terms of reciprocity which exist between States and Territories of Australia and New Zealand.
- Issue Letters of Accreditation to Reciprocating Boards for Land Surveyors.
- Remove names from the Register of Surveyors.
- Restore names to the Register of Surveyors.
- Assess overseas and interstate academic qualifications for persons wishing to practice surveying in New South Wales.
- Receive and investigate reports and complaints concerning the competence of surveyors.

Education

- Enrol Surveyor's Assistants, Survey Drafters and Students of Surveying to the Board and keep a list of the names and addresses of enrolled persons in these categories
- Determine, record and accept accrued practical experience obtained by Surveyor's Assistants who are Candidate Surveyors.
- Assist Candidate Surveyors with the Board by issuing advice regarding:
 - depth and scope of professional competence expected of persons seeking registration
 - conducting workshops

- Supply relevant information to professional bodies including the Institution of Surveyors NSW Inc and the NSW Division of the Australian Institute of Mine Surveyors.
- Advise on education matters as a member of the University of New South Wales' Advisory Board, through direct interaction with the academic sector's nominee to the Board and through interaction with the profession.

Examination

- Conduct examinations, assess Professional Training Agreement (PTA) reports and issue Certificates of Competency for both Land and Mining Surveyors.
- Publish information regarding prescribed examinations in the Board's website and Government Gazette.

Legislation requirements

- Publish each year, a list of persons who are registered as surveyors under the provisions of the Surveying Act, 2002
- Prepare and issue up-to-date copies and variations to the Register to Government Departments by arrangement.

Continuing professional development

Maintaining a scheme of compulsory continuing professional development for Registered Surveyors in New South Wales in conjunction with industry.

Achievements

The Board of Surveying and Spatial Information was active in its continuing role of promoting professional development and standards and has played a significant role in legislative reform following the enactment of the Surveying Bill on 25 June 2003.

The Board continued its practice of meeting and consulting with Surveyor Board representatives from interstate and overseas jurisdictions. The Board also met with the Commissioner for Surveys, of the Australian Capital territory (ACT) to further advance cooperative arrangements implemented six years ago. Representatives of the Board have also met with the Western Australian Mines Survey Board and representatives of the Queensland Surveyors Board to discuss reciprocal arrangements for Mining Surveyors.

During the reporting year meetings were held with representative members from NSW professional associations to ensure that both Land and Mining Surveyors fulfil their responsibilities to consumers.

The Board prepared a new strategic plan that included input from stakeholders.

In order to address the spatial information functions of the Board, BOSSI engaged Corporate GIS Consultants to develop a Road Map and Framework for a NSW Spatial Information Strategy.

The Road Map and Framework report from Corporate GIS clearly indicates that NSW needs a strategy, which provides a whole of industry approach to spatial information industry development across the public, private and academic sections.

BOSSI has adopted the report as stage 1 and is now embarking on the next stage of the development of a draft Spatial Information Strategy which will form the basis for wide scale stakeholder consultation.

The Road Map and Framework report is an important milestone in the maturity of the NSW Spatial Data Infrastructure and provides a solid foundation for further development.

Qualifications

The Board maintained the Register of Surveyors. The Register contains the names of registered surveyors who are considered competent by the Board to perform land and mining surveys in New South Wales. Arrangements with Surveyor's Boards or other competent authority from other countries (other States and Territories of Australia and New Zealand) enable land surveyors with appropriate qualifications and experience to be registered in this state. These reciprocal arrangements are in accordance with National Competition Policy Principles and the Trans-Tasman Mutual Recognition (NSW) Act 1996.

Education

The "Board of Surveyors Medal" is presented to the most successful student in the final year of the Bachelor of Surveying and Spatial Information Systems degree course or the Bachelor of Surveying degree course. This year's awards were presented to Anthony Steel, from the University of New South Wales and Jai Reedy, from the University of Newcastle.

Examination

The Board met for a total of six working days during September 2004 and April 2005 for the purpose of assessing the professional competence of graduate surveyors through examinations. The Board also assessed Candidate Surveyors undertaking Professional Training Agreement (PTAs). A total of fifteen applicants successfully completed the examinations or PTA, were issued with Certificates of Competency and accordingly registered as Land Surveyors. Five Candidate Surveyors were registered as Mining Surveyors.

Based on the results of the Board's assessment for Certificates of Competency four prizes are awarded annually.

- The "Barr Prize" was presented to Leigh Bridges for the best cadastral survey project
- The "Harvey Prize" was presented to Brian McGregor for the best town planning project
- The "Augustus Alt Prize" was presented to Jason Harman for the best engineering project
- The "Neil Ryan Memorial Award" was presented to Andrew Rigelsford and Peter Graham best urban cadastral projects submitted at the September 2004 and April 2005 assessments.

The Surveyor General's Prize was awarded to George Najjar for his performance in a Professional Training Agreement completed during the year.

Professional Training Agreements

The Board introduced Professional Training Agreements (PTA) as an alternative method of assessment of the competency of Candidate Surveyors. There are 22 Candidate Land Surveyors currently undertaking training under Professional Training Agreements to ascertain competency as a Land Surveyor.

Candidate training

To assist Surveyor's Assistants attempting assessment the Board conducts a weekend workshop at Kurri Kurri TAFE. This year 57 Candidate Surveyors and 14 supervising surveyors attended. Board members, invited guests, local surveyors and Candidate Surveyors attending the workshop were able to discuss matters of mutual interest including proposed changes to Board operations affecting both land and mining surveying industries.

The Board continued to improve and expand the information available at the workshop and improve standards of presentation using the latest technology. Comprehensive manuals, produced by the Board, for the urban cadastral, town planning, engineering design and supervision components of the urban development process were distributed. The set Town Planning project, an alternative to a Candidate Surveyor's own project, was also made available on CD ROM. These resources and the information sessions provided by guest presenters have proved to be valuable to Candidates.

Legislation

The Board of Surveying and Spatial Information is a statutory body constituted by the Surveying Act 2002.

During the year a number of transition issues with the legislation emerged concerning the composition of the Board and its committees, deceased surveyors and liability of Board members, which are being investigated with a view that some minor amendments were proposed for consideration by Government.

The *Survey Amendment Act 2005* was assented to on 27 June 2005 resulting in amendments to the *Surveying Act 2002*, the Survey Regulation 2001 and the Deformation Act 1974. For more information, please refer to the Appendices - Legislation and legal change.

Continuing Professional Development (CPD)

During the year the Board revised the CPD Determination and the updated policy will come into effect on 1 July 2005. Compliance with CPD requirements is a condition of annual renewal of registration each financial year. The Board's CPD Policy is located on the BOSSI Internet site and can be found at www.bossi.nsw.gov.au. Compliance with the Board's CPD requirements is mandatory for surveyors renewing their registration.

The Board has ratified the following four organisations for CPD purposes, which include the conduct and assessment of CPD activities and issue of CPD compliance certificates:

- Institution of Surveyors NSW Inc
- Association of Consulting Surveyors NSW
- Australian Institution of Mine Surveyors Limited NSW Division
- University of Newcastle
- Spatial Sciences Institute (ACT).

A CPD Committee has been formed by the Board and is comprised of Board members and representatives from the five organisations ratified by the Board. Reporting to the Committee is the CPD Audit Panel, which undertakes an audit of CPD compliance involving 20% of surveyors renewing their annual registration in accordance with the policy. 190 surveyors were audited this year and 12 of these were deemed not to have complied with the Policy by the Audit Panel.

Committees

To maximise the use of the time available at Board meetings the Board has appointed the following committees to operate within the Board's structure:

Training Committee, Finance and Audit Committee, Spatial Information Committee, Professional Audit and Investigation Committee, Discipline Committee, Land and Mining Surveyor Committee, and Legislation Committee. The latter committee meets on an "ad hoc" basis.

It is anticipated that further committees will be formed to deal with the expanded role of the Board under the Surveying Act, 2002.

Consumer response

On the recommendation of the Director General of the Department of Fair Trading, Ms Margaret Hole was appointed as a member of the Board in the role of consumer representative. Ms Hole currently occupies the position of Chair of the Minister for Fair Trading's Property Advisory Council, and is also a member of the Fair Trading Advisory Council.

During the reporting year the Registrar received more than 50 telephone complaints related to the performance of surveyors. All telephone inquiries were responded to within 24 hours. Written applications received a reply within six to eight weeks due to the frequency of Board meetings but any urgent matters were dealt with out of session.

In accordance with the Board's Complaints Policy, the Professional Audit and Investigation Committee investigates complaints against surveyors. The Policy is located on the BOSSI Internet site at www.bossi.nsw.gov.au.

Nine complaints against surveyors made in the reporting year have been either fully investigated or are the subject of ongoing investigation by the Committee. One complaint was referred to the Disciplinary Committee for disciplinary action against the surveyor involved.

The Committee continues to use the standard 'Complaints Form' template to facilitate the making of complaints by members of the public and other Government agencies.

The successful use of complaint resolution methods by the Board has resulted in few formal complaints.

The Department of Lands
Land and Property Information Division
LPI Division Financial Statements
Crown Lands Division
Soil Conservation Service
Office of Rural Affairs
The Department of Lands Financial Statements
BOSSI
BOSSI Financial Statements
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Action Plan for Women

The Board has continued to sponsor the Surveyor General's Women in Surveying Scholarship at both the University of Newcastle and the University of New South Wales. The Board uses the scholarship to encourage women to enter the surveying profession. This year scholarships were awarded to Alexandra Lyle and Nadine Kelly who were enrolled in their first year of studies for the Bachelor's degree in Surveying and Spatial Information Systems at the University of New South Wales and Kylie Davis enrolled in her first year of studies for the Bachelor of Surveying course at the University of Newcastle.

Grants to non-government organisations

During the reporting year the Board granted \$2000 to the University of Newcastle and granted \$2000 to the University of New South Wales for the Surveyor General's Women in Surveying Scholarships.

Payments performance

The Board's performance payment details are combined with those of the Department of Lands and are contained in the Department's Annual Report appendices.

Risk management and insurance

The Board's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for government agencies.

For all other administrative procedures, policies and processes for this report please refer to the Department of Lands Annual Report Appendices.

Board of Surveying and Spatial Information

346 Panorama Avenue
Bathurst NSW 2795

T: 61 2 6332 8238

F: 61 2 6332 8240

Facts and Figures

	2002/03	2003/04	2004/05
Registered Surveyors in NSW	998	1083	1042
New registrations			
By way of Certificate of Competency	20	126	17
By way of Letters of Accreditation from Reciprocating Boards	17	13	4
Removal of Name from Register			
Non-payment of Annual Roll fees	18	127	89
At own Request	33	24	23
Deceased	2	2	2
Restoration of Name to Register	19	102	76
Letter of Accreditation Issued to Reciprocating Boards	8	9	5
Charges Against Surveyors	1	0	0
Candidate Enrolments	33	44	46
Total Financial Candidates	143	142	153
Assessment of Overseas Academic Qualifications	4	7	4
Assessment of Interstate Academic Qualifications	0	0	0
Emeritus Certificates Awarded	24	17	19

The Department of Lands	Land and Property Information Division	LPI Division Financial Statements	Crown Lands Division	Soil Conservation Service	Office of Rural Affairs	The Department of Lands Financial Statements	BOSSI	BOSSI Financial Statements	Appendices	Glossary	Index
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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

Board Of Surveying And Spatial Information

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Board of Surveying and Spatial Information:

- (a) presents fairly the Board's financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

My opinion should be read in conjunction with the rest of this report.

The Board's Role

The financial report is the responsibility of the members of the Board of the Board of Surveying and Spatial Information. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Board in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Board had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Board
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



S R Stanton CPA
Director, Financial Audit Services

SYDNEY
24 October 2005

Statement by Members of the Board

Pursuant to Section 41C (1B) of the Public Finance and Audit Act 1983, and in accordance with a resolution of the members of the Board of Surveying and Spatial Information, we declare on behalf of the Board that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and transactions for the year ended 30 June, 2005 of the Board of Surveying and Spatial Information.
2. The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, and the Public Finance and Audit Regulation 2005 and with the Treasurer's Directions as they relate to the preparation of those accounts.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed: 

W. Watkins
President and Surveyor-General

Date: 20.10.05

Signed: 

P. Harcombe

Date: 20/10/05

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION
STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2005

	Notes	2005 \$	2004 \$
INCOME FROM ORDINARY ACTIVITIES			
Annual Registration		367,033	371,300
Investment income		37,535	26,462
Fees for Spatial Information activities		-	55,000
Other income		74,914	69,198
TOTAL INCOME FROM ORDINARY ACTIVITIES	2	<u>479,482</u>	<u>521,960</u>
EXPENSES FROM ORDINARY ACTIVITIES			
Depreciation		11,909	8,691
Other expenses		495,728	439,739
TOTAL EXPENSES FROM ORDINARY ACTIVITIES	4	<u>507,637</u>	<u>448,430</u>
(LOSS)/PROFIT FROM ORDINARY ACTIVITIES		<u>(28,155)</u>	<u>73,530</u>
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		<u>(28,155)</u>	<u>73,530</u>

The accompanying notes form part of these financial statements.

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION
STATEMENT OF FINANCIAL POSITION

As at 30 June 2005

	Notes	2005 \$	2004 \$
ASSETS			
Current Assets			
Cash	8(a)	538,825	629,725
Receivables	5	35,765	35,091
Total Current Assets		<u>574,590</u>	<u>664,816</u>
Non-Current Assets			
Property, plant and equipment	7	42,224	29,979
Total Non-Current Assets		<u>42,224</u>	<u>29,979</u>
TOTAL ASSETS		<u>616,814</u>	<u>694,795</u>
LIABILITIES			
Current Liabilities			
Payables	6	46,948	96,774
Total Current Liabilities		<u>46,948</u>	<u>96,774</u>
TOTAL LIABILITIES		<u>46,948</u>	<u>96,774</u>
NET ASSETS		<u>569,866</u>	<u>598,021</u>
EQUITY			
Retained Profits	12	569,866	598,021
TOTAL EQUITY		<u>569,866</u>	<u>598,021</u>

The accompanying notes from part of these financial statements.

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION

STATEMENT OF CASH FLOWS

For the year ended 30 June 2005

	Notes	2005 \$	2004 \$
Cash flows from Operating Activities			
Receipts			
Receipts from operations		447,572	759,066
Interest received		35,895	9,803
GST refund		45,294	29,813
Total Receipts		<u>528,761</u>	<u>798,682</u>
Payments			
Payments to suppliers		(595,314)	(400,921)
Total Payments		<u>(595,314)</u>	<u>(400,921)</u>
Net cash flows from Operating Activities	8(b)	<u>(66,553)</u>	<u>397,761</u>
Cash flows from Investing Activities			
Purchases of fixed assets		(24,347)	(20,439)
Net cash flows from Investing Activities		<u>(24,347)</u>	<u>(20,439)</u>
Net (decrease)/ increase in cash		(90,900)	377,322
Opening cash balance		629,725	252,403
Closing cash balance	8(a)	<u><u>538,825</u></u>	<u><u>629,725</u></u>

The accompanying notes form part of these statements

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

The Board of Surveying and Spatial Information is constituted under the Surveying Act 2002 to provide for the registration of Land and Mining surveyors, to regulate the making of surveys and to advise the Government on Spatial Information.

b) Basis of Accounting

The Board's financial statements are a general purpose financial report, which has been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group (UIG) Consensus Views and the requirements of the Public Finance and Audit Act 1983 and Regulation 2005 and Treasurer's Directions.

In the absence of a specific Accounting standard, other authoritative pronouncement of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS6 "Accounting Policies" is considered.

The financial statements have been prepared in accordance with the historical cost convention.

All amounts are rounded to the nearest dollar, unless otherwise stated, and are expressed in Australian currency. The accounting policies adopted are consistent with those of the previous period.

c) Revenue Recognition

Revenue is recognised when invoices are issued. These invoices in the main relate to surveyors' annual registration fees.

Grants and Contributions are recognised when received.

d) Employee Benefits

Salaries and Wages, Annual Leave, Sick Leave and On-Costs:

Lands Employee Services (note 4) represents the cost of employees from the Department of Lands providing administrative assistance to the Board. The Department of Lands is responsible for all superannuation and leave entitlements of its employees.

Accordingly the Board has no liability for employee entitlements.

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION
Notes accompanying and forming part of the Financial Statements
For the year ended 30 June 2005

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

e) Insurance

The Board's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund manager based on past experience.

f) Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

- the amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

g) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisition of assets controlled by the Board. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenue at their fair value at the date of acquisition.

Fair value means the amount for which an asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction.

h) Plant and Equipment

Plant and equipment costing \$5,000 and above is capitalised. Individual items of computer equipment costing \$1,000 and above are capitalised when they form part of a network.

Depreciation is provided for on a straight line basis against all depreciable assets so as to write off the depreciable amount of each depreciable asset as it is consumed over its useful life to the Board.

Depreciation Rates:

Plant and Equipment	20%
Furniture and fittings	10%
EDP Equipment	25%

**DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION**

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

i) Receivables

Receivables are recognised and carried at the original amount less provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

j) Payables

Liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are secured) are settled in accordance with the policy set out in Treasurers Direction 219.01. If terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. Treasurers Direction 219.01 allows the Minister to award interest for late payment. No interest was applied during the year.

k) Accrued Expenses

Accruals are recognised for amounts due to be paid in the future for goods and services received whether or not invoiced. Amounts owing to suppliers (which are unsecured) are generally settled within 30 days.

l) Investment Income

Interest revenue is recognised as it accrues.

2) REVENUE

In accordance with the Surveying Act 2002 registration and other fees collected by the former Board of Surveyors were remitted to the Consolidated Fund.

The former Board received a grant from the Department of Lands to meet its operating expenditure. Under agreed arrangements NSW Treasury returned the excess of the registration and other fees over the grant received from Lands.

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

2) REVENUE (continued)

	2005	2004
	\$	\$
Annual Registration fees	367,033	371,300
Application for Registration	1,260	2,940
Candidate Workshop Fees	20,290	13,300
Certificate of Registration	(60)	360
Enrolment as Candidate	15,736	12,108
Examination Fees	21,725	17,700
Letters of Accreditation	300	360
Investment income	37,535	26,462
Fees for Spatial Information activities	-	55,000
Professional Training Agreement Fees	4,263	6,800
Restoration to Register	11,400	15,630
Total income from ordinary activities	479,482	521,960

3) BOARD MEMBERS' FEES

Board members' fees payable for 2004-2005 amounted to \$24,720 (2003-2004 - \$24,720). In addition Board members received \$10,790 (2003-04 - \$13,130) for acting as examiners and other Board related activities (included under other service fees) and were refunded travelling and accommodation expenses incurred in connection with the Board's operations (included under travelling and subsistence).

DEPARTMENT OF LANDS
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For the year ended 30 June 2005

4) EXPENSES FROM ORDINARY ACTIVITIES

	2005	2004
	\$	\$
Depreciation	11,909	8,691
Other Expenses		
Audit	9,023	4,750
Board Member Fees	24,720	24,720
Continuing Professional Development Assessment	570	1,160
Lands Administration Fee	28,915	30,145
Lands Employee Services	161,269	182,375
Lands rent	14,420	15,176
Examination Related Expenses	64,554	47,902
Maintenance	4,773	1,330
Other Service Fees	144,271	73,366
Postage Telephone and Courier	5,714	5,860
Stores and Stationery	7,086	6,416
Travel and Subsistence	30,220	46,539
Loss on disposal of fixed asset	193	-
	495,728	439,739
Total expenses from ordinary activities	507,637	448,430

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BOARD OF SURVEYING AND SPATIAL INFORMATION

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For the year ended 30 June 2005

5) RECEIVABLES

	2005	2004
	\$	\$
Trade debtors	2,987	1,017
Interest receivable	18,299	16,659
GST	14,479	17,415
	<u>35,765</u>	<u>35,091</u>

6) PAYABLES

Accrued administration expenses	46,948	71,000
Prepaid registration fees	-	25,774
	<u>46,948</u>	<u>96,774</u>

7) NON CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Plant	Computer	Total
	\$	\$	\$
At fair value	33,203	37,124	70,327
Less: Accumulated depreciation	(14,252)	(13,851)	(28,103)
Total property, plant and equipment at net book value	<u>18,951</u>	<u>23,273</u>	<u>42,224</u>

DEPARTMENT OF LANDS
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For the year ended 30 June 2005

7) NON CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (*continued*)

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below:

	Building Improvements	Plant	Computer	Total
	\$	\$	\$	\$
2005				
Carrying amount at 1 July 2004	548	8,884	20,547	29,979
Addition	-	14,742	9,605	24,347
Disposal	(193)	-	-	(193)
Depreciation expense	(355)	(4,675)	(6,879)	(11,909)
Carrying amount at 30 June 2005	-	18,951	23,273	42,224

8) NOTES TO THE STATEMENT OF CASH FLOWS

- a) For the purposes of the Statement of Cash Flows cash consists of cash at bank. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2005	2004
	\$	\$
Cash at bank	538,825	629,725
Cash at the end of financial period	538,825	629,725

b) RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO PROFIT FROM ORDINARY ACTIVITIES:

Net profit	(28,155)	73,530
Adjustment for non – cash items:		
Depreciation	11,909	8,691
Loss on disposal of fixed asset	193	-
Changes in Assets & Liabilities		
(Increase)/decrease in Receivables	(674)	240,195
(Decrease)/increase in Payables	(49,826)	75,345
	(66,553)	397,761

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION

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For the year ended 30 June 2005

9) CAPITAL COMMITMENTS

At 30 June 2005 there were no capital commitments. (2004 - NIL)

10) CONTINGENT LIABILITIES

At 30 June 2005 there were no contingent liabilities. (2004 - NIL)

11) ASSISTANCE FROM OTHER AGENCIES

The Board did not receive any material assistance free of charge.

12) CHANGES IN EQUITY

	2005	2004
	\$	\$
Opening balance at the beginning of financial year	598,021	524,491
(Loss)/Profit for the year	(28,155)	73,530
Closing balance at the end of financial year	569,866	598,021

13) FINANCIAL INSTRUMENTS

Financial instruments give rise to positions that are a financial asset of either the Board or its counterparty and a financial liability (or equity instrument) of the other party. For the Board these include cash at bank, receivables, and creditors. These are recorded at 'cost' being the contractual amount owing or owed. All financial instrument cash flows are recognised on an accruals basis.

In accordance with AAS 33 "Presentation and Disclosure of Financial Instruments" information is disclosed here in respect of the interest rate risk and credit risk of financial instruments. Such amounts are carried in the accounts at net fair value unless otherwise stated. Financial instruments applicable to this Board consist of cash at bank, receivables and creditors.

DEPARTMENT OF LANDS
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For the year ended 30 June 2005

(a) Interest Rate Risk

			Fixed Interest Rate Maturities				
	Weighted Average Effective Interest Rate	Floating Interest Rate	1 year Or less	1 to 5 years	More than 5 years	Non Interest Bearing	Total Carrying Amount As per the Statement of Financial Position
	%	\$000	\$000	\$000	\$000	\$000	\$000
30 June 2005							
Financial Assets							
Cash	4.33	539	-	-	-	-	539
Receivables		-	-	-	-	36	36
Total Financial Assets		539	-	-	-	36	575
30 June 2004							
Cash	4.18	630	-	-	-	-	630
Receivables		-	-	-	-	35	35
Total Financial Assets		630	-	-	-	35	665
30 June 2005							
Financial Liabilities							
Payables		-	-	-	-	47	47
Total Financial Liabilities		-	-	-	-	47	47
30 June 2004							
Payables		-	-	-	-	97	97
Total Financial Liabilities		-	-	-	-	97	97

(b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract / or financial position failing to discharge a financial obligation thereunder. The Board's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet.

(c) Net Fair Value

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

14) IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Board of Surveying and Spatial Information (BOSSI) will apply the Australian equivalents to International Financial Reporting Standards (AEIFRS) from 2005-06.

The BOSSI's AEIFRS implementations are managed by the Department of Lands and the following strategy is being implemented by the Department to manage the transition to AEIFRS:

- Forming AEIFRS steering committee
- Send steering committee members to attend AEIFRS seminars
- Engaging accounting professionals to provide expert advice
- AEIFRS Business Impact Analysis
- Revised 1 July 2004 opening balance
- Changes to systems, processes and policies
- Train staff
- Implementation

To date, the Department has sent the financial steering committee members to attend seminars on AEIFRS implementation issues and AEIFRS annual reports presentation and disclosures sponsored by the NSW Treasury and the CPA Australia. The AEIFRS business impact analysis and the revised opening balance in compliance with AEIFRS have also been completed.

The Department has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS.

To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates").

The Department did not identify any financial impacts of AEIFRS on the BOSSI as at the date of preparing the 30 June 2005 financial report.

The Department has referred to AASB 136 – Impairment of Assets, the draft HOTARAC (Head of Treasuries Accounting and Reporting Advisory Committee) policy for the definition of a 'not-for-profit entity' and has considered the following factors in determining the status of a 'not-for-profit' entity for BOSSI:

- Statements by owners about objectives of the entity
- Governance framework-extent that private sector type frameworks apply
- Purpose, nature and extent of funding from owners
- Targeted financial performance of the entity, agreed between owners and board/management
- Classification under Government Finance Statistics (GFS)
- Comparison with Treasury's previous approach

**DEPARTMENT OF LANDS
BOARD OF SURVEYING AND SPATIAL INFORMATION**

Notes accompanying and forming part of the Financial Statements

For the year ended 30 June 2005

14) IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (*continued*)

BOSSI does not anticipate any material impacts on its reported equity, profit/loss or its cash flows. The actual effects of the transition may differ because of pending changes to the AEIFRS, including the UIG Interpretations and/or emerging accepted practice in their interpretation and application. BOSSI's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

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Code of Conduct

All Lands administrative areas and the Board of Surveying and Spatial Information under the Department of Lands Code of Conduct. There were no amendments or additions to the Code during the reporting year.

Committees

The following officers represented the Department on significant committees:

Committee Name	Representation
Lands Audit Committee	Des Mooney, Philip Western, Eduardo Alegado, Members
Lands Executive Team	Warwick Watkins, Chair, Des Mooney, Member, Bob Costello, Member, Graham Harding, Member, Paul Jones, Member, Pedro Harris, Member, Ken Hall, Member, Ed Alegado, Member, Tracey Prescott, Member, Garry Greedy, Member, Julie King, Member, Ron Smith, Member, Mark Matchett, Member, Ian Holt, Member, Neville Hind, Member, George Georgijevic, Member.
Land and Property Information Advisory Group	Warwick Watkins, Chair, Des Mooney, Member
Board of Surveying and Spatial Information	Warwick Watkins, President, Paul Harcombe, Member
Geographical Names Board	Warwick Watkins, Chair, Paul Harcombe, Member
Land Valuation Specialist Advisory Group	Warwick Watkins, Chair, Philip Western, Member, Simon Gilkes, Member
CEO Network Committee	Warwick Watkins, Member
CEOs Natural Resources Cluster	Warwick Watkins, Member
CEOs Counter Terrorism Co-ordinating Group	Warwick Watkins, Member
NSW Game Council	Warwick Watkins, Member
Public Sector Mapping Authority (PSMA)	Des Mooney, Director
State Mapping Advisory Committee	Warrick Beacroft, Chairman
Surveying and Mapping Industry Council of NSW	Paul Harcombe, Colin Mitford, Garry Smith, Members
University of NSW, School of Surveying and Spatial Information Systems Advisory Board	Paul Harcombe, Member
Council for Reciprocating Boards of Australia/New Zealand	Paul Harcombe, Member
Intergovernmental Committee on Surveying And Mapping (ICSM)	Paul Harcombe, Member
Committee for Geographical Names in Australasia (CGNA)	Paul Harcombe, Sponsor
Mapping Science Institute Australia, NSW Division	Colin Mitford, President
Trials in Innovative Government Electronic Regional Services Reference Committee	Ross Cleary, Member
NSW Coastal Comprehensive Assessment Council	Graham Harding, Member
NSW Coastal Council Acquisition Task Force	Graham Harding, Member
Government Property Register Project	Graham Harding, Member
NSW Branch Institute for Information Management	Peter Goddard, President
Standards Australia Information Management Committee	Peter Goddard, Member
Natural Resources & Planning Spatial Data Infrastructure Sub-Group (NRP-SDI)	Warrick Beacroft, Chair
Survey & Mapping Managers Forum (SMMF)	Paul Harcombe, Chair
auDA National Reference Group, Community Use of Geographic Names	Paul Harcombe, Member
University of New South Wales, Dean's Industry Advisory Council (DIAC)	Paul Harcombe, Member

Melbourne University School of Geomatics Advisory Board	Paul Harcombe, Member
Interdepartmental Committee on Burial Space	Pieta Laing, Member
Interdepartmental Committee on Crown Roads	Graham Harding, Chair, Julie King, Member, Vija Graham, Member
Management Review of Rookwood	Graham Harding, Chair, Pieta Laing, Member, Bob Costello, Member

Consultants

Consultants under \$30,000

The Department employed a total of 18 consultants each costing less than \$30,000 during the 2004/05 financial year engaged in the following areas:

Consultant	Number	Cost \$
Finance and accounting	1 consultancies	14,700
Information Technology	4 consultancies	21,274
Legal	0 consultancies	0
Management Services	9 consultancies	79,139
Engineering	3 consultancies	2,722
Organisational Review	4 consultancies	56,410
Total consultancies less than \$30,000		174,245

Consultants over \$30,000

Consultant	Cost \$	Title/Nature
Information Technology		
System Science	152,223	Develop e-Govt Services/Migration from Genamap to ESRI DCDB geodatabase
AEM	63,574	High Resolution Satellite Imagery System
Sub-total	215,797	
Management Services		
Nil		
Organisational Review		
Simply Blue P/L	54,101	Review of Lands Financial Operations (Project Sandstone)
The Market Intelligence Co.	100,450	Market Research Study into Electronic Services Delivery
Sub-total	154,551	
Finance and Accounting		
Nil		
Total consultancies equal to or more than \$30,000	370,348	
Total consultancies	544,593	

Risk management overview

The Department is committed to the implementation and management of an integrated Risk Management program as an integral part of its activities.

The Department of Lands Risk Management Policy and Guidelines established a consistent approach to undertaking risk management with the Department. The policy sets the requirements and responsibilities for all staff to systematically manage risk consistent with the Australian Standard on Risk Management (AS/NZS 4360:2004). The Policy and guidelines provides a structured basis to identify and analyse potential risks and devise and implement appropriate controls and responses to minimise their impact.

The Department has, as part of the implementation of Risk in the Department, has developed emergency plans,

business continuity plans and disaster recovery plans to address possible future contingencies.

The Department's insurer is New South Wales Treasury Managed Fund (TMF), which provides a cover against risks such as public liability, workers compensation, motor vehicle accident, property and professional indemnity claims.

Disability Action Plan

The Department is committed to the continued implementation of access facilities for clients and staff with a disability through its Disability Action Plan.

Action has been taken through the year to assist staff with a disability adjust to the workplace. This has been undertaken by the employment of qualified workplace assessors. Also the Department's program for incorporating access facilities to its buildings located across the state has progressed.

Special arrangements have been made through the year to assist staff with mobility and access issues by providing assistance with the purchase of motorised vehicles and special access arrangements to office parking.

The Department supports the Hearing Impaired Network and assistance has been provided with signing for hearing impaired staff to attend training and meetings.

Employee relations

Chief and Senior Executive Officers

Warwick Watkins, Director General, Registrar General, AMP:ISMP (Harv), MNatRes, DipScAgr, HDA (Hons)

Des Mooney, Deputy Director General, General Manager, Land and Property Information Division, MBA (Syd), BSurv (Hons), MIS Aust, FAICD Dip, FAIM, Registered Surveyor, Registered Valuer

Ken Hall, Assistant Director, Legal Services, DipLaw

Graham Harding, General Manager Crown Lands Division

Paul Jones, General Manager Soil Services Division, B Engineering (Civil), Certified Professional Erosion and Sediment Control (CPESC)

Bob Costello, Director, Strategy, Policy and Reform Dip. Tech. (Com), CPA

Barry Douse, Executive Manager, Production and Business Development, Land and Property Information, BA (Hons),

Public Administration, Cert in Quality Management III

Ross Cleary, Executive Manager, Information Management, Land and Property Information, B Applied Science (Computer Science) Hons

Warrick Beacroft, Executive Manager, Information Services, Land and Property Information, Grad Cert Mgt, Cert Cart

Simon Gilkes, Chief Valuer, Land and Property Information, GDLE AAPI

Doug Walsham, Executive Manager, Titling and Registry Services, Land and Property Information

Louise Scambler, Director, Financial Services BA, DipEd, Litt B, MA (Hons), Med Admin (Hons), MBus (Accounting & Finance), AFAHRI, CPA

Pedro Harris
Chief Information Technology Officer

Staff Numbers

		2004/05			2003/04			2002/03		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	full-time	849	470	1319	874	399	1273	889	423	1312
	part-time	0	2	2	4	78	82	3	37	40
Temporary	full-time	44	40	84	33	22	55	32	34	66
	part-time	0	5	5	0	4	4	0	3	3
Contract	SES	12	1	13	12	1	13	13	1	14
	non-SES	0	0	0	0	0	0	0	0	0
Training		0	0	0	0	1	1	0	1	1
Casual		2	2	4	9	4	13	16	6	22
Total		907	520	1427	932	509	1441	953	505	1458

Chief and Senior Executive Service Positions

SES Level	2004/05	2003/04	2002/03
Level 7	1	1	1
Level 6	0	0	0
Level 5	2	2	2
Level 4	1	1	2
Level 3	2	1	1
Level 2	6	7	7
Level 1	1	1	1
Total	13	13	14

Female Officers in Senior Executive Service Positions

SES Level Female	2004/05	2003/04	2002/03
Total	1	1	1

Exceptional movements in salaries and wages

The Crown Employees (Public Sector - Salaries 2004) Award Increased salaries for positions previously classified under the Crown Employees (Public Sector - Salaries January, 2000) Award. The 2004 award provided for salaries to increase by 4% from the beginning of the first pay period commencing on or after 1 July 2004, a further increase of 4% from the first full pay period on or after 1 July 2005 and 4% from the first full pay period on or after 1 July 2006.

Personnel policies and practices

Effective workforce development and succession planning are seen as critical to the Department's future performance and its ability to innovate, respond positively to changes in its operating environment and avail itself of future business opportunities.

The People and Performance Development Group continued to focus on aligning human resource services with strategic business operations and working closely with senior management to review and align function and structures to develop a workplace environment that

is supportive of employees maximising their contribution to the business of the Department.

There is strong support from senior management for managers and employees working co-operatively together to resolve issues that prevent workforce development and to identify opportunities for continuous improvement in departmental operations.

The creation of a culture which acknowledges the importance and fosters the development of technical, managerial and business skills; together with a progressive outlook is a key aim.

In May 2005 Lands held a long-awaited 40 Year Service Medal presentation at Parliament House in Macquarie Street for 45 current and recently retired staff.

The service medallion, which was presented to each recipient by the Minister for Lands Tony Kelly, acknowledges long and loyal service. These award recipients had worked in a variety of fields and disciplines, each in their own way making a significant contribution to the NSW public service and NSW as a whole.

Learning and Development

The Department of Lands is continuing to promote learning as a core philosophy in its pursuit of excellence, recognising that the acquisition of knowledge and skills contributes to continuous improvement in processes, services and management.

Staff are being encouraged to accept greater responsibility for their own learning, as can be seen in the increase in the number of staff who commenced or completed tertiary study.

- 75 staff took study time leave and 45 staff received fee reimbursement for their tertiary study.
 - 6 of these staff were new trainees
 - 27 of these staff were existing worker trainees

The Department continued to sponsor staff participation in management and executive development programs:

- 4 staff began or completed an Executive Master of Public Administration.
- 3 staff completed the Executive Development Program.
- 5 staff are completing a Graduate Diploma in Public Administration.
- 1 member of staff gained a Graduate Certificate in Public Sector Management through the Public Sector Management Program.

The Department continued to support university students in the schools of Bachelor of Science (Spatial Science) and Surveying through funding of scholarships at Charles Sturt University and the University of New South Wales, and through its short-term placement of students.

The Learning and Development Unit worked with the Crown Lands Division and the VET sector to launch two new qualifications for staff working in Lands Offices:

- Certificate III in Conservation and Land Management; and
- Certificate III in Government (Land Administration). This newly endorsed qualification is part of the Public Sector Training Package and the 21 staff enrolled will be using mainly Recognition of Prior Learning (RPL) to gain this qualification.

Learning and Development Unit staff are assisting LPI technical trainers to develop training and assessment plans for 13 new entry-level recruits who commenced with Titling and Plan Services in February 2005. The recruits are also undertaking Certificate III in Spatial Information Services through TAFE.

The Department continued to fund attendance by staff at numerous external courses, conferences and seminars. (205 staff attended external courses, conferences and seminars; 400 staff attended internal courses).

The Learning and Development Unit worked with the Manager Occupational Health and Safety (OH&S) to organise OH&S Risk Management training for over 200 managers and supervisors across the state.

170 more staff from across the Department and a range of geographical locations commenced (and/or completed) the International Computer Driving Licence. This program takes a blended learning approach, with participants using a combination of on-line learning, private study and/or face-to-face instruction, depending on individual need and learning style preference.

The Learning and Development Unit continued to provide individual support to staff in writing job applications and practicing for interviews.

Learning and Development Unit staff joined the NSW Learning and Development Network coordinated by Premier's Department to gain and share knowledge on Learning and development (L&D) issues sector wide, which can be applied to benefit Department staff.

Industrial relations policies and practices

The People and Performance Development Group (PPDG) worked in partnership with management and associations/unions to achieve an enterprise approach to employment for the Department. The Department has set in place an industrial framework that underpins an organisation focussed on learning and business success.

The former Crown Employees (Department of Information Technology and Management - Conditions of Employment) Award was extended to cover all staff of the Department of Lands. A new Crown Employees (NSW Department of Lands - Conditions of Employment) Award 2005 was made by the Industrial Relations Commission on 22 February 2005.

The Framework conditions in the Award include:

- Staff taking responsibility for their career with Department financial support - private study.
- Managers' reorganising/restructuring for business success underpinned by collaborative arrangements that ensure staff with the appropriate skills are considered for positions.
- An equitable system for evaluation, grading and remuneration - pay bandwidths for Lands jobs.

- Individual Development and Feedback System - with Learning and Development outcomes related to job.

The Award rationalises salary scales and classifications to bring the majority of officers from Crown Lands, Soil Services and the Office of Rural Affairs under the one classification and grading process. This award provides for transition of staff to new conditions of employment. These employment changes will assist in developing organisation structures that support business plans and address any equity and parity issues across Lands.

The Joint Consultative Committee comprising management and Association/Union representatives met on four occasions to discuss reforms occurring within the Department and major issues affecting the organisation and staff.

A new Department of Lands Flexible Working Hours Agreement has been developed through consultation between management and association representatives to address the diverse working environments of the Department of Lands and to improve service deliver and support better work/life balance. At the time of reporting the Agreement has been agreed but not signed. The new flexible working arrangements will apply to all 35 hour week staff early in the new financial year.

Organisation Change and Job Evaluation

The PPDG has assisted managers across the Department in reviewing structures to support business objectives and in developing position descriptions to support activities and evaluating these positions using the Mercer, CED System. Position description formats have been revised in accordance with best practice.

Equal Employment Opportunity

Table A. Trends in the Representation of EEO Groups¹

EEO Group	Benchmark or Target	% of Total Staff ²			
		2002	2003	2004	2005
Women	50%	-	34.8	35	36.5
Aboriginal people and Torres Strait Islanders	2%	-	1.6	1.5	1.3
People whose first language was not English	19%	-	15.3	15.7	15.3
People with a disability	12%	-	11.1	10.5	10.2
People with a disability requiring work-related adjustment	7%	-	1.2	4	3.8

Management in Crown Lands NSW, Soil Services and association representatives have been trained in the Mercer CED job analysis and job evaluation methodology. This training will assist the efficiency in applying job evaluation under the Department of Lands Award.

Significant consultation between Human Resource Services and management of both the Department of Lands and Department of Infrastructure and Natural Resources (DIPNR) resulted in a very efficient transfer of payroll administration for Soil Conservation Services staff from DIPNR to Lands.

Research and Development

Intellectual Capital Study

The Department of Lands is a collaborating partner with the Centre for the Management of Knowledge Capital in a study, "NSW Public Sector Reporting of Intellectual Capital: a study of implementation", to create an Intellectual Capital reporting framework.

This is the first research study undertaken in Australia on the intellectual capital reporting activities and processes of a public sector organisation and will create a framework for measuring and reporting on Intellectual Capital within the Department of Lands.

Table B. Trends in the Distribution of EEO Groups¹

EEO Group	Benchmark or Target	Distribution Index ³			
		2002	2003	2004	2005
Women	100				
Aboriginal people and Torres Strait Islanders	100				
People whose first language was not English	100				
People with a disability	100				
People with a disability requiring work-related adjustment	100				

Notes:

1. Staff numbers are as at 30 June.
2. Excludes casual staff.
3. A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated by the software provided by ODEOPE.

Table B cannot be completed, as the transfer of staff data from DIPNR to Lands had not been finalised as at 30 June 2005.

Achievements and strategies

- The Department continued its ongoing support to its very active Aboriginal Support Network. This network is a combination of Lands and DIPNR.
- The Spokeswomen's Program is also actively supported with a number of events held statewide for both female and male employees.
- The Department facilitated the involvement of deaf staff in the statewide Deaf Support Network.
- The equity interests of all staff were reflected in the creation of a new Lands Award.
- The Department continued to use a range of merit recruitment strategies to attract a diverse field of job applicants.
- The number of EEO group members acting in higher duties reflected at least their proportion in the Department.
- The Department continued to offer all employees a wide range of flexible work arrangements.

- EEO and equity issues continued to be integrated into all appropriate training programs.
- The Department has an ongoing commitment to ensure that EEO issues are considered in all restructures.

Spokeswomen's Program

There are currently 8 Spokeswomen in the Department. They are based in Queens Square Sydney, Campbelltown, Albury, Bathurst, Newcastle, Dubbo and Tamworth. The statewide spokeswoman network is supported by a Woman's Liaison Officer based in Queens Square.

The Lands Spokeswomen develop initiatives that will assist women to

- Enhance their skills and develop their knowledge to the benefit of the department and themselves;
- Develop to their full potential.

Key achievements for 2004/2005 include:

- Developing a strategic plan to determine the Spokeswoman's program priorities for the next year.
- Continuing to survey women state wide to determine the priority issues for information sessions and training courses.
- Organising a number of lunchtime seminars in city and regional locations on: work life balance, managing stress, women's health issues, wills and power of attorney and effective financial management.
- Attending training courses on effective public speaking and the springboard program.
- Publishing a quarterly Spokeswomen's Newsletter on the Department's intranet.
- Raising funds for Westmead Children's Hospital and NSW Cancer Council at morning teas organised for Lands staff for 'Bandaged Bear Day' and 'The Biggest Morning Tea'. These events provide a valuable opportunity for Lands staff to network and for spokeswomen to enhance their organisational skills.

Aboriginal Support Network

The Department continues to support the employment of Aboriginal people and encourages Aboriginal staff to participate on the Aboriginal Support Network Program.

The Network incorporates a number of agencies being:

- The Department of Lands,
- Department of Infrastructure, Planning and Natural Resources,
- State Water and
- Catchment Management Authorities

The Network was put in place to provide continuing support and foster personal development of Aboriginal staff.

The Network has actively been involved within training where members have participated in Project Management, a training course tailored for the Network. The Network is looking at other avenues to conduct future training. One avenue the network is looking at is forming a training based partnership with TAFE NSW.

Recruitment and selection

Restructuring, of staff, positions, management of staff and business responsibilities and consolidation of various activities of the former component agencies, has resulted in considerable activity in filling positions in the Department. Due to the restructuring process, all positions up to and including Clerk Grade 9/10 equivalent, with the exception of entry level positions, have been advertised internally in the first instance, since August 2000.

A trend has been noted in previous years that most selection panels comprised two men from the Department and that the female member of the panel was the independent. An obvious reason for this was the low number of female staff in higher grades. The inclusion of females as departmental representatives or convenors has been encouraged where possible.

An EEO strategy to encourage more females as convenors or departmental representatives on selection panels for the Department is continuing to be implemented.

Selection Techniques courses will be run and EEO group members will be encouraged to undertake this training and participate in selection panels where practicable.

Other Activities and Strategies

- all Skillmax information concerning overseas qualifications is circulated to staff and the relevant staff invited to apply for courses
- training opportunities for deaf and hearing-impaired staff conducted by the Deaf Network made known to all staff
- Lands has sponsored a Scholarship Program in conjunction with Charles Sturt University Bathurst for students undertaking a Bachelor of Spatial Information Systems.

Senior executive performance

Warwick Watkins

Director General, Registrar General and Surveyor General, SES level 7

Remuneration package \$332,300

Period in position - whole year

Results

Continued effective management of the Department of Lands with a focus on:

- Whole of Government policy and strategy for lands and property information and land management.
- Directing the consolidation and strategic direction of land and property information services in land titling, land valuation and spatial land data capture, manipulation and dissemination, with particular reference to spatial data infrastructure development and valuation reform.
- Continued the drive for Commonwealth/State policy formulation on online matters with particular reference to regional online service delivery and as chair of ANZLIC furthered the development of key policy and strategic spatial information directions for Australia.
- Embedding the management and organisational structure of the Department of Lands and initiated the development of a departmental based industrial enterprise award to address inequities in employment conditions and rewards across the Department, following the integration of staff and functions upon the formation of the agency.
- Initiated targeted policy and program reviews and analysis on key areas of Crown Land administration, involving substantial legislative reform.

- Undertook analysis of the Soil Conservation Service activities, with a focus upon improving the strength of the earthworks and environmental consultancy services.

Des Mooney

Deputy Director General and General Manager, Land and Property Information Division, level SES 5
Remuneration package \$254,650
Period in position - whole year

Results

- Increased revenue from previous years, providing a before tax profit of \$52 million;
- Negotiated an agreement with Victoria to jointly pursue a move to a National approach to Electronic Conveyancing;
- Negotiated agreement with all jurisdictions on a National Business Model and National Governance Arrangements for Electronic Conveyancing;
- A new delivery and maintenance system for the Digital Cadastral Database finalised;
- A major project to convert all manual titles and old system lands was commenced and is on target for completion in December 2006.

Philip Western

Valuer General

The Valuer General is a statutory appointee with remuneration packaging equivalent to a SES Level 5, however is not subject to annual performance appraisal.

Energy Management Performance

Department of Lands was previously known as the Department of Information, Technology and Management (DITM). Several assets of the Department of Infrastructure, Planning and Natural Resources (DIPNR) have been transferred to the Department of Lands. Direct comparisons with the energy performance of the former DITM cannot be conducted due to the significant change in assets.

Corporate commitment

The Department of Lands is committed to minimise its impact on the environment by:

- Achieving energy savings,
- Incorporating sustainable Energy Management practices where cost effective,
- Using whole of Government energy contracts to achieve cost savings,
- Purchasing Greenpower to reduce greenhouse gas emissions, and
- Undertaking Australian Building Greenhouse Ratings for office buildings by the end of 2004 (completed).

The Department currently has three large sites that purchase electricity on the contestable market. Electricity contracts will be completed for all other sites. These sites will be progressively placed on contracts as existing billing periods are completed. All sites on contract will purchase 6% of their electricity from renewable sources.

Tenancies in six larger Government Office Blocks also consumed 6% green power in 2003/04 as these Government Office Blocks purchase electricity on the contestable market. The purchase of electricity on the contestable market has minimised costs and achieved a reduction of greenhouse gas emissions by purchasing a percentage of green power.

Planning

Accountability and responsibility for energy management has been established by the nomination of an Energy Manager, Manager Administrative Services and Energy Co-ordinator, Manager Asset Strategic Planning & Performance.

An Energy Conservation and Efficiency Plan will be prepared in 2005 to identify cost effective energy efficiency opportunities. Where cost effectively feasible, the Department will endeavour to reduce energy consumption in buildings.

Implementation

The Energy Conservation and Efficiency Plan will establish a plan of implementation to achieve energy savings. The plan will address facilities or technologies with the greatest saving potential. The plan will also identify suitable funding options to enable energy saving recommendations to be implemented.

Performance

The following major energy fuels were purchased by the Department during 2003/04:

Fuel	Total Energy Consumed (GJ)	% of Total Energy	Annual Cost (excluding GST)	Carbon Dioxide (CO ₂) Greenhouse emissions (tonnes)
Electricity (Black Coal)	26,975	39.9%	\$643,826	7,164.6
Electricity (Green Power)	1,469	2.2%	\$44,182	0.0
Natural Gas	7,747	11.4%	\$80,249	398.2
Liquefied Petroleum Gas (L.P.G.)	284	0.4%	\$5,080	16.9
Automotive Diesel	20,035	29.6%	\$423,524	1,396.4
Petrol	8,669	12.8%	\$202,608	572.2
AVGAS	2,483	3.7%	\$80,000	168.8
TOTAL	67,662	100%	\$1,479,469	9,717.1

Comparative energy performance indicators with average energy performance indicators from the Energy Use in Government Operations 2001/02 and the Department of Lands 2003/04 are as follows:

Category	MJ/Area/a		MJ/Occupant/a		MJ/Distance Travelled	
	Average energy performance indicator	2003/04 Dept of Lands	Average energy performance indicator	2003/04 Dept of Lands	Average energy Performance indicator	2003/04 Dept of Lands
Office buildings - tenant services	504	487	10,265	15,185		
Office buildings - combined services	866	1,184	17,830	29,497		
Laboratories and research facilities	540	892	N/A	16,061		
Transport - passenger vehicles					4.18	4.44

Consumption goals for each type of fuel will be included in the Energy Conservation and Efficiency Plan. The above table indicates there is potential for energy savings, especially in owned buildings (Office buildings - combined services).

- o Installation of movement detectors for exhaust fans in toilet areas, that previously ran 24/7.
- o Smart metering of Mechanical Switchboards and Main Switchboards.
- o Installation of Power Factor Unit.

Australian Building Greenhouse Rating (ABGR) Results

- **The Queens Square Office:** has achieved a three star rating this rating represents current market best practice

This result is due to the previous Facilities projects that have provided energy efficient plant and equipment and the controls.

- o Chiller Project,
- o Mechanical Switchboard upgrade,
- o Building Management Control System,
- o Installation of timers on Hot Water and Water Coolers which previously ran 24/7 and

The three star rating for Queens Square can be further improved by carrying out initiatives identified in the Energy Conservation and Efficiency Plan. Identified energy saving opportunities will be included in future Maintenance and Capital Investment Strategic Plans.

Future Direction

The Energy Conservation and Efficiency Plan will include the Department's policy directions, monitoring targeting and reporting mechanisms and energy management strategies.

Ethnic Affairs Priorities Statement (EAPS)

The Department is committed to the principles of multiculturalism as outlined in the Community Relations Commission and Principles of Multiculturalism Act 2000.

The Ethnic Affairs Priorities Statement (EAPS) is our commitment to improving access to our services to culturally and linguistically diverse communities throughout New South Wales. The Lands EAPS is currently being reviewed, with the new draft circulated for comment.

The EAPS shows how the Department of Lands will:

- deliver services, which are appropriate to a culturally diverse client group, as part of the core business;
- put in place flexible and inclusive consultation processes that are integrated into agency planning;
- provide training for staff on cultural diversity issues;
- provide language services and information in ways that will reach all clients.

Currently these principles are implemented through merit based recruitment practices, training staff to understand the need for non-discriminatory relationships with clients and other staff members and having flexible work practices that accommodate cultural and religious differences whenever practical.

Clients and staff from non-English speaking backgrounds were consulted in the review Land Valuation publications, during the 2004/2005 reporting period, to meet client group needs in languages other English. Community language needs will be further reviewed for the 2005/2006 publication of valuation notices.

Freedom of Information

Statement of affairs

The Department of Lands was created on the 2 April 2003 and delivers strategies, policies and projects for Crown Lands administration and management, Soil Conservation Service, Native Title, Aboriginal Lands Claims, Minor Ports and Land and Property Information, and Rural Affairs in New South Wales.

One of the primary objectives of the Department of Lands is the sustainable and commercial management of State owned lands for the benefit of the people of New South Wales.

Over 30,000 parcels of land are currently reserved under the Crown Lands Act 1989, which is administered by

the Crown Law NSW division of the Department of Lands. Maintenance of the Public Reserves system by the Department is essential for the preservation of biodiversity in the environment of New South Wales.

Further, the Department, through the Soil Conservation Service, operates conservation earthmoving and soil consultancy business, specialising in:

- The planning, design and construction of soil and water conservation earthworks; and
- The planning and implementing of practical and realistic solutions to common land degradation problems.

The Land and Property Information (LPI) division, within the Department, is the key provider of land and property information for NSW. LPI provides mapping, titling, valuation, survey and related land and spatial information services to individuals, businesses, government agencies and non profit organisations throughout NSW, Australia and internationally.

The Minor Ports Program of the Department provides and maintains port infrastructure facilities as well as safe, secure port access.

Freedom of information procedures

Requests for documents under the Freedom of Information (FOI) or Privacy and Personal Information Protection Act, which may be in the possession of Lands should be directed to:

The FOI Coordinator
Office of the Director General
1 Prince Albert Road
Queens Square
SYDNEY NSW 2000

T: 61 2 9236 7773

F: 61 2 9236 7632

Office Hours Monday - Friday 8.30 a.m. - 4.30 p.m.

Charges for FOI applications

Nature of application	Application fee	Processing charge
Access to personal records	\$ 30.00	\$ 30.00 per hour (up to 20 hours of free processing time for information about your personal affairs is allowed)
All other requests	\$ 30.00	\$ 30.00 per hour
Amendment of records	\$ 30.00	\$ 30.00 per matters not on public record

Freedom of information statistics

FOI requests	Personal		Other		Total	
	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05
New (incl transferred in)	36	19	20	36	56	55
Brought forward	0	3	0	2	0	5
Total to be processed	36	22	20	38	56	60
Completed	33	18	18	36	51	54
Transferred out	0		0		0	
Withdrawn	0		0		0	
Total Processed	33	22	18	38	51	60
Unfinished (Carried Forward)	3	4	2	2	5	6

Result of FOI request	Personal		Other	
	2003-04	2004-05	2003-04	2004-05
Granted in full	33	18	17	34
Granted in part	0		1	
Refused	0		0	2
Deferred	0		0	
Completed	33	18	18	36

Number of Requests requiring Formal Consultations	Initial		Total	
	2003-04	2004-05	2003-04	2004-05
	13	13	13	13

Basis of disallowing or restricting access	Personal		Other	
	2003-04	2004-05	2003-04	2004-05
Section 19 (application incomplete, wrongly directed)	0	0	0	
Section 22 (deposit not paid)	0	0	0	
Section 25(1)(a1) (diversion of resources)	0	0	0	
Section 25(1)(a) (Exempt)	0	0	1	1
Section 25(1)(b),(c),(d) (Otherwise available)	0	0	0	1
Section 28(1)(b) (Documents not held)	0	0	0	
Deemed refused - 21 day time limit expired	0	0	0	
Section 31(4) (released to Medical Practitioner)	0	0	0	
Totals	0	0	1	2

All Completed Requests	Incurred Costs		Fees Received (appl+dep-rfnd+rvw)	
	2003-04	2004-05	2003-04	2004-05
	1530.00	1730.00	1530.00	1730.00

Type of discount	Personal		Other	
	2003-04	2004-05	2003-04	2004-05
Public Interest	0	0	0	
Financial Hardship Pensioner	0	2	0	7
Financial Hardship Non Profit	0	0	0	
Under 18 Years	0	0	0	
Totals	0	2	0	7
Significant Correction of Records	0	0	0	0

Elapsed Time (including Withdrawn)	Personal		Other	
	2003-04	2004-05	2003-04	2004-05
0-21 days	33	18	18	23
22 to 35 days (consultation period)				13
Over 35 days (extended consultation)				
Over 21 days (out of time determinations)				
Over 35 days (out of time determinations after consultation)				
Totals	33	18	18	36

Processing hours (including withdrawn)	Personal		Other	
	2003-04	2004-05	2003-04	2004-05
0-10 hrs	32	18	17	35
11-20 hrs	1		1	
21-40 hrs				1
Over 40 hrs				
Totals	33	18	18	36

Reviews/Appeals	2003-04	2004-05
Number of Internal Reviews Finalised	2	2
Number of Ombudsman Reviews Finalised	0	
Number of District Court actions Finalised	0	2

Bases of internal review	Personal				Other			
	Upheld		Varied		Upheld		Varied	
	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05
Access Refused	0		0		1	2	1	
Deferred	0		0					
Exempt Matter	0		0					
Unreasonable Charges	0		0					
Charge Unreasonably Incurred	0		0					
Amendment Refused	0		0					
Totals	0		0		1	2	1	

Documents held by the Department

Corporate

Acceptable Use of Information Technology and Telecommunications Policy
 Access Control Policy
 Accounting Manual
 Anti Virus Policy
 Code of Conduct
 Complete Guide to Staff (Induction Manual)
 Conflict of Interest Policy
 Corporate Clothing Policy
 Corporate Plan
 Corrupt Conduct, Maladministration and Serious and Substantial Waste, and Protected Disclosures Policy
 Equal Employment Opportunity Policy
 Filling of Short Term Vacancies Policy
 Internal Reporting (Protected Disclosures) Policy
 Information Security Policy
 Gifts and Benefits Policy
 Grievance Resolution
 Harassment Free Workplace Policy
 Information Security Policy

Interim Privacy Management Plan
 Job Evaluation Policy
 Learning and Development Policy
 Management of Consultants and Contractors Policy
 Managing E-Mail Resources Policy
 Mail Server Policy
 Media Policy
 Occupational Health and Safety Policy
 Outside Employment Policy
 Policy for Protection against Malicious Software
 Policy and Guidelines for the use of Departmental mobile telephones
 Queens Square Security Policy
 Records Management Policy
 Travel Policy
 Workforce Management Plan
 Working From Home Policy

Land and Property Information

LPI Privacy Statement

- Suppression of Personal Information in LPI Public registers
- WebGov Policy

Land Valuation

- Rating and Taxing Valuations Procedures Manual
- Valuation Contract Management Procedures Manual
- Valuer-General's Instructions
- Chief Valuer's Instructions
- Technical Instructions

Surveying

- Surveyor General's Directions for Survey Practice
- Redefining the Queensland-New South Wales Border: Guidelines for Surveyors
- Guidelines for the Determination of the State border between New South Wales and Victoria along the Murray River
- Intellectual Property - Copyright and Licensing
- Technical Specifications and Standards for the Digitisation of the Cadastre
- Rural Addressing: A Model for Systematic Addressing for Rural Properties in New South Wales

Land Titling

- Registrar General's Directions
- Electronic Settlement, Electronic Lodgment and Automatic Registration of Real Property Dealings in NSW - Public Consultation Document, May 2004
- Agreement on principles for the development of a roadmap to a national electronic conveyancing system
- National business model for the implementation of a national electronic conveyancing system (Draft)

- National governance arrangements for the establishment of a national electronic conveyancing system (Draft)
- Electronic Settlement, Electronic Lodgment and Automatic Registration of Real Property Dealings in NSW: Public consultation feedback report March 2005

Geographical Names Board of NSW

Dual Naming Policy
 Road Naming in NSW Policy
 Guidelines for the Naming of Roads
 Guidelines for Determining Suburbs and Localities in NSW
 Area Inclusion in Description Policy
 Board Issuing Concurrence to Government Departments for Names Assigned under Other Acts Policy
 Cultural Designation Guidelines for the Reintroduction of Cities, Towns and Villages
 Generic Reserve Naming Policy
 Guidelines for the Determination of Place Names
 Primary Source Policy

Crown Lands

Caravan Park Levy Committee Guidelines for the Administration of Applications for Financial Assistance
 Coastal Crown Lands Policy 1991 - under review
 Crown Lands Caravan Park Policy 1990 - under review
 Crown Lands Foreshore Tenures Policy (Non-commercial Occupations) 1991 - under review
 Crown Lands NSW Business Directive 2004 for Commercial Leasing and Licensing of Crown Land
 Bush Rock Policy
 Natural Disaster Relief Scheme Guidelines
 Tourist Facilities and Services on Crown Reserves 1997
 Food and Beverage Outlets on Crown Reserves 1997
 Registered and Licensed Surf Clubs on Crown Land 2002
 A Handbook for Trust Management of Reserved and Dedicated Crown Land - under review
 Public Reserve Management Fund (PRMF) Guidelines - under review

Soil Conservation Service

Staff Borrowing of Equipment Policy

Non-smoking in the Workplace

Some policy documents are available, free of charge, from the Department of Lands website www.lands.nsw.gov.au which has links to our administrative units. Geographical Names Board policies and guidelines may be accessed at their website www.gnb.nsw.gov.au.

Funds granted to non-Government Community Organisations

State Land Assets Program**Pubic Reserve Management Fund**

Trust Manager	Project	Grant \$	Loan \$	Total \$
Showgrounds Program				
Peak Hill Showground Trust	Replacement of water pipes	4,000		4,000
Ashford Showground Trust	Installation of benches in the kiosk, BBQ area and ride on mower	2,000		2,000
Gulgong Showground Trust	Construction of a pavilion	5,000	5,000	10,000
Bundarra Showground Trust	Construction of a multi-purpose pavilion.	25,000	25,000	50,000
Bathurst Showground Trust	Installation of a new hydrant system	7,500	15,000	22,500
Inverell Showground Trust	Upgrading of the water supply.	4,450	3,500	7,950
Walcha Showground Trust	Upgrading of the electrical supply.	3,000	4,000	7,000
Eurobodalla Shire Council	Preparation of a conservation plan for Moruya Showground.	6,000		6,000
Coonabarabran Shire Council	Purchase of paint in connection with a "Work for the Dole" program at Coonabarabran Showground.	1,000		1,000
Henty Showground Trust	Restoration of the public booth and stables repairs.	4,000	2,000	6,000
Robertson Showground Trust	Upgrading of the power supply and the installation of new floodlights.	20,000		20,000
Liverpool Plains Shire Council	Replacement of grandstand seating at Quirindi Showground.	2,000		2,000
Shoalhaven City Council	Electrical upgrading works at Nowra Showground.	5,000		5,000
Cobargo Showground Trust	Construction of toilet facilities for the disabled.	1,330	4,000	5,330
Peak Hill Showground Trust	White ant eradication works	1,000	2,000	3,000
Gunnedah Shire Council	Electrical upgrading works at Gunnedah Showground.	14,000	14,000	28,000
Grafton Showground and Recreation Reserve Trust	Purchase of a photocopier		3,200	3,200
Tamworth P & A Association	Electrical upgrading works	15,000	15,000	30,000
Nimbin A & I Society	Electrical works	4,000	3,800	7,800
Berrigan Shire Council	Improvements to the Poultry Shed at Berrigan Showground	3,000	3,000	6,000
Shoalhaven City Council	Fencing works at Milton Showground	5,500		5,500
Ashford Showground Trust	Construction of a covered shade area at the cattle yards	2,000		2,000
Eurobodalla Shire Council	Pavilion improvements at Moruya Showground	9,000		9,000
Shoalhaven City Council	Construction of a goat pavilion at Berry Showground	6,000	5,000	11,000

Warialda Showground Trust	Electrical works	4,086	2,000	6,086
Wee Waa Showground Trust	Replacement of concrete floor in main pavilion	3,500	4,000	7,500
Upper Hunter Shire Council	Replacement of a toilet block at Merriwa Showground.	5,253	3,000	8,253

Local Parks and Reserves Program

Tumut Racecourse Trust	Upgrading of toilet facilities	2,000	38,000	40,000
Four Post Youth Camp Trust	Construction of additional accommodation facilities	8,000	80,000	88,000
Leeton Shire Council	Construction of toilet facility with disabled access at Murrumbidgee Public Hall	4,300	6,000	10,300
Burrumbidgee Recreation Reserve and Public Hall Trust	Restumping works, signage, and replacement of steps	4,000	3,250	7,250
Parkes Shire Council	Replacement of walkway Bridges at Apex Park, Peak Hill	3,500		3,500
Greater Hume Shire Council	Construction of toilets at Carabost Hall.	19,343	5,000	24,343
Tuncurry Museum Reserve Trust	Building extensions to the museum.	13,000	5,000	18,000
Killabakh Public Hall Trust	Construction of a toilet facility with a disabled access.	3,120		3,120
Gulgong Racecourse Reserve Trust	Construction of a toilet facility with a disabled access.	3,000	1,500	4,500
Leeton Shire Council	Installation of security grills, water tank and pump at the Cudgel Community Centre	2,000	2,000	4,000
Staggy Creek Recreation Reserve Trust	Upgrading of the tennis courts.	500	500	1,000
Tilligerry Habitat Reserve Trust	Extensions to the Activity Centre for a toilet facility	22,000		22,000
Deepwater Public Hall Trust	Repairs to the foundations of the hall	750	750	1,500
Inverell Shire Council	Construction of additional campsites and roadwork at Pindari Dam Reserve.	12,000		12,000
Lila Leigo Centre Reserve Trust	Replacement of cooling system, painting, fencing, repairs to foundations, walls and floors and floor coverings.	16,000		16,000
Bonalbo Reserve Trust	Establishment grant	1,000		1,000
Wiangaree Reserve Trust	Establishment grant	1,000		1,000
Green Pigeon Community Reserve Trust	Establishment grant	1,000		1,000
Wadesville Reserve Trust	Establishment grant	1,000		1,000
Meerschaum Vale Public Hall Reserve Trust	Renovations to hall including waterproofing, recladding, painting and fans.	7,400		7,400
Rileys Hill Dock Reserve Trust	Establishment grant and the improvement of security, rubbish removal and signage.	2,845		2,845
Tungelbung Public Recreation Reserve Trust	Purchase of four tables	1,144		1,144
Munns Creek Walking Track Trust	Replacement of creek crossing	3,500		3,500
Clarence Valley Council	Tables and seating, signage and barbecues at Diggers Headland Reserve.	8,642		8,642
Mallangaree Public Hall Reserve Trust	Replacement of guttering.	4,300		4,300
Byron Island Quarry Reserve Trust	Roadworks	10,000		10,000
Dorroughby Grass Reserve Trust	Establishment grant	1,000		1,000
Bendick Murrell Reserve Trust	Building repairs	5,600		5,600
Bribbaree Public Hall Reserve Trust	Repairs to the supper room.	4,000		4,000
Mechanics Institute of Nelligen Incorporated	Safety rail to external landing and stairs and repairs to stairs.	3,000		3,000

The Department of Lands

Land and Property Information Division

LPI Division Financial Statements

Crown Lands Division

Soil Conservation Service

Office of Rural Affairs

The Department of Lands Financial Statements

BOSSI

BOSSI Financial Statements

Appendices

Glossary

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Ulladulla Wildlife Reserve Trust	Trail repairs and maintenance.	1,000		1,000
Bectric Recreation Reserve Trust	Construction of toilets.	2,650		2,650
Eurobodalla Shire Council	Removal of two buildings containing asbestos at Riverside Park, Moruya.	30,000		30,000
Gumly Gumly Recreation Reserve Trust	Improvements to water supply	9,000		9,000
Binya Public Hall Trust	Additional building maintenance works	4,000		4,000
Goolgowi Sportsground Trust	Water tank and pressure pump	4,860		4,860
Eurobodalla Shire Council	Upgrading works at Observation Point, Batehaven	10,000		10,000
Wingello Literary Institute	Painting and repairs to the hall	6,500		6,500
Six Foot Track Heritage Trust	On-going maintenance and development works	5,000		5,000
Lynch's Creek Reserve Trust	Establishment grant	1,000		1,000
Fairfield City Council	Construction of a shared cycle/walk path at St Johns Park	25,000		25,000
Abbotsford Park Trust	Upgrading of toilets and ground maintenance works	5,000		5,000
Main Camp Recreation Reserve Trust	Installation of shade sails	1,000		1,000
Patonga Public Hall and Bush Fire Brigade Trust	Construction of covered walkway to amenities block	4,600		4,600
Newcastle Velodrome Trust	Construction of a cycle warm down track	11,520		11,520
Darks Common Reserve Trust	Signage and the construction of new gate posts at entrance and stairs to the Lower Bluff Lookout	5,400		5,400
Silverton Community Reserve Trust	Restoration of the "Surveyors Cottage"	9,000		9,000
Bourke Shire Council	Air-conditioning of Wanaaring Memorial Hall	4,000		4,000
Garule Wali Education Reserve Trust	Construction of a classroom	6,000		6,000
Cumborah Recreation Reserve Trust	Blinds for clubhouse, painting extension and repair tennis court surface	710		710
Lightning Ridge Historical Society Trust	Office equipment and accessories	2,000		2,000
Tent Hill Public Hall Trust	Repairs to roof and the replacement of windows	1,000		1,000
Pine Ridge Public Hall Trust	Replacement of steps and landings	3,000		3,000
Wallangra War Memorial Hall Trust	Installation of ceiling eaves to hall	3,906		3,906
Wattle Flat Heritage Lands Trust	Signage and promotion of reserve	4,800		4,800
Goonoowigall Bushland Reserve Trust	Maintenance of walking track and signage	2,500		2,500
Woolomin War Memorial	Replacement of seating	3,500		3,500
Hall Trust Tibooburra Sports Club Inc.	Replacement of fencing around racetrack	9,000		9,000
Nullamanna Public Hall and Recreation Reserve Trust	Installation of safety rails and lighting	2,000	1,700	3,700
Delungra Yates Park Trust	Construction of an awning at the clubhouse	2,000	2,700	4,700
Boggabri Public Recreation and Showground Trust	Construction of a multi-purpose pavilion	12,000	8,000	20,000
Randwick Literary Institute Reserve Trust	Electrical and painting works and upgrading of children's playground equipment	17,000	50,000	67,000
Richmond Literary Institute	Construction of a walkway/wheelchair access	12,000	3,000	15,000
Fairy Mount Reserve Trust	Establishment grant	1,000		1,000
Wallangra War Memorial Hall Trust	Construction of amenities block	14,000	10,000	24,000

Bourke & District Multi-purpose Childcare Cooperative	Installation of air-conditioning and soft fall area at R230043 at Bourke	12,500		12,500
Sydney Tramway Museum Reserve Trust	Replacement of security boundary fence	7,000	3,000	10,000
Old Bega Hospital Reserve Trust	Operational grant for 2004/2005	3,190		3,190
Old Bega Hospital Reserve Trust	Rehabilitation works	69,454		69,454

Caravan Park Development Works Program

Clarence Valley Council	Purchase and installation of three cabins at Iluka Caravan Park.	150,000		150,000
Great Lakes Council	Installation of cabins at Hawkes Nest Caravan Park.	360,000		360,000
Shoalhaven City Council	Implementation of stage one works program at White Sands and Voyager parks.	300,000		300,000
Morgo Street Reserve Trust	Preparation of a business plan.	20,000		20,000
Scotts Head Reserve Trust	Preparation of a concept plan.	20,000		20,000
Shoalhaven City Council	Preparation of a business plan for Bendalong Point, Burrill Lake, Currarong, Crookhaven Heads, Huskisson White Sands, Kangaroo Valley, Lake Conjola, Lake Tabourie, Shoalhaven Heads and Ulladulla Headland tourist parks.	20,000		20,000
Bellingen Shire Council	Construction of office and kiosk additions at North Beach Caravan Park.	30,000		30,000
Shoalhaven City Council	Foreshore protection and improvement works at Mollymook Beach Reserve.	100,000		100,000
Shoalhaven City Council	Stage 2 of works program -foreshore protection, foreshore promenade, installation of an irrigation system, shade shelter water feature and playground.	250,000		250,000
Shoalhaven City Council	Preparation of a plan of management for the Ulladulla Harbour Reserves	15,000		15,000
Kiama Municipal Council	New infrastructure works of manager's residence, roads, power, water, sewerage and landscaping works at Blowhole Point Holiday Park.	1,600,000		1,600,000
Clarence Valley Council	Purchase and installation of seventeen cabins and laundry equipment and the upgrading of an amenities block at Calypso Holiday Park.	880,000		880,000

Consultancy Program

Griffith Showground Trust	Preparation of a plan of management	16,600		16,600
Mosman Council	Preparation of a plan of management for Mosman Park	10,000		10,000
Lake Macquarie City Council	Preparation of a plan of management for Speers Point Park	15,000		15,000
Dungog Shire Council	Preparation of a plan of management for Pilchers Mountain Reserve	30,000		30,000
Clarence Valley Council	Preparation of a plan of management for the Old Police Residence at Grafton	8,000		8,000
Tuggerah Lake Reserve Trust	Preparation of a plan of management	12,500		12,500
Lismore Showground Trust	Preparation of a business plan	6,000		6,000
Holbrook Racecourse Trust	Feasibility study on the future use and management of the reserve	5,000		5,000

Eurobodalla Shire Council	Flora and fauna study for Greenwell Point Reserve	10,000	10,000
Shoalhaven City Council	Preparation of a plan of management and landscape master plan for Greenwell Point Reserve	15,000	15,000
Richmond Valley Council	Preparation of a plan of management for coastal reserves at Evans Head	14,000	14,000
Hornsby Shire Council	Preparation of a plan of management for Fagan Park at Galston	15,000	15,000

Reserves of High Visitation/Regional Significance Program

Burrendong Arboretum Trust	Operational costs for 2004/2005	90,000	90,000
Wee Jasper Reserves Trust	Operational costs for 2004/2005	65,000	65,000
Goobarragandra Valley Reserves Trust	Operational costs for 2004/2005	12,000	12,000
Penrose Park Reserve Trust	Operational costs for 2004/2005	20,000	20,000
Walka Water Works Trust	Operational costs for 2004/2005	70,000	70,000

Commercial initiatives on Crown land

Copeton Waters State Park Trust	Construction of three cabins	150,000	150,000
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Land and Property Information

Royal Melbourne Institute of Technology	ARC Linkage Project - Industry Partnership Grant - Real-time atmospheric modeling for cm-level positioning level based on continuously operating Global Navigation Satellite System reference station networks.	22,000	22,000
University of Melbourne	ARC Linkage Project - Industry Partnership Grant - A Marine Cadastre for Australia - Addressing Key Scientific and Policy Issues.	16,500	16,500
University of Melbourne	Cooperative Research Centre for Spatial Information (CRC-SI).	250,000	250,000
University of New South Wales	Grant to support two half-scholarship places in the 2004 UNSW Co-op Program - Surveying and Spatial Information Systems.	13,500	13,500
Charles Sturt University	Grant to support two scholarship places at Charles Sturt University - Bachelor of Science (Spatial Science Major)	16,000	16,000

Government Action Plan for Women

The Department has encouraged boards and committees of the Department to reflect the Government's policy to encourage female nominees.

The Department through its review of the Trust Management guidelines has developed protocols for the future recruitment of female members to its reserve trusts, boards and committees and to encourage women's nominations.

The Department has recognised the need for support for senior women of the Department and has supported public sector senior women's network. At the time of reporting the Department is negotiating for a contractor to provide mentoring services to senior women to assist in moving to more senior positions.

Guarantee of Customer Service

- Service delivery standards vary with the nature of the services provided across the various administrative areas of the Department however all requests for information or services are responded to promptly and efficiently as appropriate to customer requests.
- Our customers can expect us to prevent unauthorised access to and use of official information and maintain the privacy and confidentiality of information, which is not on the public register.
- We consult with clients and stakeholders when planning and delivering products and services and staff and unions when considering changes in work practices.
- All public contact staff are trained to provide timely, accurate and balanced advice in a courteous manner. They all have expertise within their fields of inquiry.
- All staff adhere to the principles of Equal Employment Opportunity and our Code of Conduct.

Consumer complaint and comment

- We aim to respond to correspondence within 14 days and advise clients about the outcome of a complaint and the action being taken within 14 days.
- Feedback, compliments and complaints regarding our services are welcome and should be addressed in writing to:

Department of Lands
Level 3
1 Prince Albert Road
Queen's Square
Sydney NSW 2000
GPO Box 15, Sydney NSW 2001
feedback@lands.nsw.gov.au

Land Disposal

There were no land disposal transactions during 2004/05.

Legislation and Legal Change

1. Surveying Amendment Act 2005

This Act made a number of amendments to the Surveying Act 2002 including:

- Inserting a definition of "spatial information" in the Surveying Act;
- Allowing a requirement to be made for the correction of an error in a land or mining survey;
- Permitting the appointment of another surveyor to satisfy requisitions on a plan that is lodged with the Registrar General, where the original surveyor cannot complete the task;
- Requiring the earlier payment of a surveyor's annual registration fee;
- Allowing disciplinary action to be taken against surveyor who has removed his or her name from the register of surveyors to avoid investigation;
- Broadening the class of nominations that may be made from the spatial information industry for inclusion on the Board of Surveying and Spatial Information.

2. Civil Procedures Act 2005

The Department assisted in the drafting of this Act, particularly with regard to Writs against land. This Act resulted in cognate amendments to the Real Property Act 1900 and the Conveyancing Act 1919 regarding registration of Writs.

3. Statue Law Revision

The Statue Law (Miscellaneous Provisions) Act (No. 2) 2004 amended the following Acts:

- Real Property Act 1900 and Conveyancing Act 1919 regarding payment and collection of fees;
- Valuation of Land Act 1916, to standardise the form used for objecting to a valuation; and
- Community Land Development Act 1989 to make it easier to terminate a community scheme where all owners consent.

The Statute Law (Miscellaneous Provisions) Act 2005 amended the following Acts:

- Community Land Development Act 1989 to allow creation of positive covenants;
- Strata Schemes (Freehold Development) Act 1973 and the Strata Schemes (Leasehold Development) Act 1986 to correct anomalies regarding, among other things, subdivision of lots or common property, the requirement to lodge a strata development contract and what happens to easements when a scheme is terminated.

4. Wild Dog Destruction Regulation 2004

This Regulation replaced the Wild Dog Destruction Regulation 1999, which was automatically repealed under the Subordinate Legislation Act periodic review. The new Regulation deals primarily with the rates that may be levied on landowners by the Wild Dog Destruction Board to finance measures for protection against wild dogs in the Western Division of NSW, including maintenance of the dingo fence.

Acts administered by the Department

Access to Neighbouring Land Act 2000 No 2
 Bills of Sale Act 1898 No 10
 Botany Cemetery and Crematorium Act 1972 No 6
 Camperdown Cemetery Act 1948 No 14
 Chipping Norton Lake Authority Act 1977 No 38
(section 7 solely administered by the Minister for Lands)
 Christ Church Cathedral, Newcastle, Cemetery Act 1966 No 20
 Commons Management Act 1989 No 13
 Community Land Development Act 1989 No 201
 Conversion of Cemeteries Act 1974 No 17
 Conveyancing Act 1919 No 6
 Conveyancing and Law of Property Act 1898 No 17
 Crown Lands Act 1989 No 6
(except parts, Minister for the Environment)
 Crown Lands (Continued Tenures) Act 1989 No 7
 Crown Lands (Validation of Revocations) Act 1983 No 55
 Encroachment of Buildings Act 1922 No 23
 Geographical Names Act 1966 No 13
 Gore Hill Memorial Cemetery Act 1986 No 116
 Gosford Cemeteries Act 1970 No 84
 Land Agents Act 1927 No 3
 Land Sales Act 1964 No 12
 Liens on Crops and Wool and Stock Mortgages Act 1898 No 7
 Mudgee Cemeteries Act 1963 No 2
 Native Title (New South Wales) Act 1994 No 45
 Necropolis Act 1901 (1902 No 20)
 Old Balmain (Leichhardt) Cemetery Act 1941 No 12
 Old Liverpool Cemetery Act 1970 No 49
 Old Roman Catholic Cemetery, Crown Street, Wollongong, Act 1969 No 56
 Old Wallsend Cemetery Act 1953 No 5
 Parramatta Methodist Cemetery Act 1961 No 44
 Perpetuities Act 1984 No 43
 Queanbeyan Showground (Variation of Purposes) Act 1995 No 14
 Real Property Act 1900 No 25
 Real Property (Legal Proceedings) Act 1970 No 92
 Registrar-General Act 1973 No 67
 Roads Act 1993 No 33, (part)
 St. Andrew's Church of England, Mayfield, Cemetery Act 1957 No 39
 St. Andrew's Presbyterian Church, Woonona, Cemetery Act 1966 No 6
 St. Anne's Church of England, Ryde, Act 1968 No 47
 St. George's Church of England, Hurstville, Cemetery Act 1961 No 63
 St. Peter's Church of England, Cook's River, Cemetery Act 1968 No 48
 St. Thomas' Church of England, North Sydney, Cemetery Act 1967 No 22
 Strata Schemes (Freehold Development) Act 1973 No 68
 Strata Schemes (Leasehold Development) Act 1986 No 219

Surveying Act 2002 No 83
 Transfer of Records Act 1923 No 14
 Trustees of Schools of Arts Enabling Act 1902 No 68
 Valuation of Land Act 1916 No 2
 Voluntary Workers (Soldiers' Holdings) Act 1917 No 25
 Voluntary Workers (Soldiers' Holdings) Amendment Act 1974 No 27
 (except parts, Attorney General [sections 4 - 9])
 Wagga Wagga Racecourse Act 1993 No 109, sections 4 and 5
 (remainder, Minister for Gaming and Racing)
 Wild Dogs Destruction Act 1921

List of Major assets

A list of major assets is currently being aggregated following the creation of the Department of Lands from units from the former Department of Land and Water Conservation and the former Department of Information Technology and Management.

Major assets acquired during 2004/05

Department of Lands
Major Additions
Major Building Assets **\$Nil**
Plant And Equipment

Total

Major Retirements
Major Building Assets **\$Nil**
Plant And Equipment

Total

Land and Property Information
Major Additions
Major Building Assets **\$Nil**
Plant And Equipment

Major Retirements
Major Building Assets **\$Nil**
Plant and Equipment

Major works 2004/05

The upgrading of the Domestic and Heating Boiler system, involving the installation of an efficient Boiler and upgrading of associated pumps and heat exchanger. Dilapidated hot water tanks and cold water make up tanks in the domestic boiler system have been replaced with two pressurised stainless steel hot water tanks and a smaller cold water booster tank.

The upgrading of the main mechanical service switchboards, enabling full connection of Heating, Ventilation and Air-conditioning systems (HVAC) to the new Building Management Control System (BMCS). Connection to the BMCS has achieved greater control and scheduling of plant and equipment. A 40 year old Centrifugal Chiller has been replaced with two high efficiency screw type chillers. Part of this work also entailed installation of variable speed drives (VSDs) to Cooling Tower motors, Pumps and Fans. Soft start controls have also been installed on 3 Refrigeration Compressors (DX).

Proposed Works 2005/06

A proposal has been submitted for a master plan to be created that will identify plant/building services upgrades that will deliver a better working environment for staff and clients. This plan will also identify energy and maintenance costs.

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Overseas Travel

Name	Destination	Purpose	Cost
Philip Western	New Zealand	Attend New Zealand/Australia Property Conference 21-25/7/04	\$1,989.17
Mark Deal	New Zealand	Attend ICSM EPlan Working Group 10-13/10/04	\$1,854.46
Greg Windsor	Netherlands	Attend conference on minority/indigenous place names in Frisia 13-18/04/05	\$2,150.00
Graham Harding	New Zealand	Attend conference, Marinas in the Marketplace 14-18/03/05	\$1037.12
Stephen Francis	New Zealand	Attend conference, Marinas in the Marketplace 14-18/03/05	\$902.88
Warwick Watkins	Cairo, Egypt	Attend the International Federation of Surveyors Conference 16-22/04/05	\$6,050.00
Paul Harcombe	Cairo, Egypt	Attend the International Federation of Surveyors Conference 16-22/04/05	\$6,050.00
Christopher White	New Zealand	Attend Training Course ANZOG - Executive Master of Public Administration 23/06-01/07/05	\$980.28
Barry Douse	New Zealand	Attend Training Course ANZOG - Executive Master of Public Administration 26/06-04/07/04	\$1,764.46
Neville Hind	New Zealand	Attend Training Course ANZOG - Executive Master of Public Administration 26/06-04/07/04	\$903.46
Simon Gilkes	New Zealand	Attend Training Course ANZOG - Executive Master of Public Administration 18/06-24/06/05	\$952.88

Occupational Health and Safety (OH&S)

The Department of Lands is committed to meeting the occupational health, safety and welfare needs of its employees. The Department's occupational health and safety focus is on prevention and early intervention.

The Department continues to focus on the removal of hazards within its workplaces to ensure all its workplaces are safe. A 2-day WorkCover accredited OHS Risk Management training course was delivered to over 200 managers and supervisors across the State. This training has raised the profile of OHS and improved the OHS risk management skills of managers and supervisors.

The Department continues to build the infrastructure to fully implement a comprehensive Occupational Health and Safety Management System (OHSMS). During 2004-05, the department has reviewed and developed key OHS policies in consultation with key stakeholders. The Department is also committed to achieving continuous improvement in both occupational health and safety and worker's compensation.

Worker's compensation management also remains a priority issue. The Department uses professional rehabilitation specialists to assist it to achieve early and sustainable return to work. This improves injury management and assists in reducing worker's compensation costs. Comprehensive case management

and ongoing monitoring of worker's compensation claims also improves the quality and timeliness of intervention measures.

The Department employs a claims management system to direct resources to claims with greatest need by giving priority to severe and/or potentially more costly claims. It also incorporates initiatives to provide claimants with a better understanding of rights and responsibilities as well as promoting greater involvement of managers and supervisors in the day-to-day management of employee rehabilitation.

Revised management arrangements will introduce improved performance monitoring and reporting arrangements across the Department's divisional structures in the 2005-2006 financial year.

The following figures provide an overview of worker's compensation over 2004/2005.

Office's Workers Compensation Claims and Costs

Year	Total No of Claims	No of Claims settled	Net Incurred Cost
2002/2003	39	12	\$482,000
2003/2004	79	54	\$931,275
2004/2005	61	23	\$446,773

*Adjusted from last years reported figure to take account of the expanded departmental structure.

Payment of Accounts

Schedule of Accounts Payable	Qtr Ending Sept 2004 \$	Qtr Ending Dec 2004 \$	Qtr Ending Mar 2005 \$	Qtr Ending June 2005 \$
Current (i.e. within due date)	132,567	407,240	382,936	1,588,594
Less than 30 Days	623,483	588,302	577,007	1,015,883
Overdue 30-60 days	258,848	222,011	152,108	139,603
Overdue 60-90 Days	11,150	4,043	13,452	37,096
Overdue over 90 Days	7,262	33,219	33,953	479,304
Totals	1,033,310	1,254,815	1,159,456	3,260,479
Schedule of Paid on time	Qtr Ending Sept 2004 \$	Qtr Ending Dec 2004 \$	Qtr Ending Mar 2005 \$	Qtr Ending June 2005 \$
Accounts paid on time	43,260,000	55,625,000	50,877,000	65,291,000
Total accounts paid	47,550,000	60,381,000	55,352,000	69,539,000
% accounts paid on time	91%	92%	92%	94%
Target % paid on time	90%	90%	90%	90%

Comment

The payment performance is based on a percentage of the total value of payments made by Department of Lands.

The Government recognises that electronic personal information, especially when part of Electronic Service Delivery (ESD) requires particular attention because it is possible to easily copy and transmit information in this form.

Privacy Management Plan

The NSW Privacy and Personal Information Protection (PPIP) Act 1998 requires agencies to follow certain principles when managing personal information, this Act is administered by the office of the NSW Privacy Commissioner (Privacy NSW).

Agencies have always been expected to put in place appropriate security measures to protect all forms of information including information about their clients. However, breaches of privacy can also occur by staff not being fully aware of their responsibilities under the Privacy and Personal Information Protection Act. Privacy NSW has therefore developed its own education material and programs to raise awareness of these issues at a general level.

During the reporting year briefings and information sessions have been held with staff in key information handling areas.

For Electronic Service Delivery to achieve its potential, citizens need to be confident that the information they supply to Government is adequately protected.

The Privacy Management Plan will be reviewed and updated in consultation with management and staff, to ensure that we continue to adequately protect personal information.

Publications

Publications during 2004/05

Corporate

Inlands - Quarterly internal staff magazine
 Application guide - How to apply for a job with NSW Government
 Director General's Office - Lands International Japanese Brochures
 The Department of Lands Annual Report 2003/2004
 Department of Lands Women's Spokesperson Calendar
 Field days - Lands advertisements, corporate posters
 Corporate Exhibition Banners
 2003/2004 LANDS Annual Report
www.lands.nsw.gov.au

Board of Surveying and Spatial Information

2003/2004 Annual Report

Geographical Name Board of NSW

2003/2004 Annual Report
 The Recognition of Aboriginal Placenames in NSW
 Geographical Names Board - Preserving the history, culture and identity of New South Wales
 Determining Suburbs and Localities in NSW
 Dual Naming - Supporting cultural recognition
 Road Naming in NSW
 Commemorative Naming
 Glossary of Status Values in the Geographical Names Register
 Guidelines for the Determination of Placenames
 Naming Proposal Package
 Determination of Locality/Suburb Names and Boundaries
 Introduction of New Suburb Names
 Suburb and Locality Boundaries
 Proposed Geographical Name Commemorating a Person
<http://www.gnb.nsw.gov.au>

Land and Property Information

Land and Property Information DL brochure
 Local Government Portal Fact Sheet and Pricing Guide
 Lands International Fact Sheets
 Cadastral Records Viewer User Guide
 Electronic Service Delivery Technical Update
 Titling and Registration Services
 Survey Services
 Mapping and Spatial Information
 Valuation Services
 Property Information

Spatial Datasets Newsletter
 ELARD Public Consultation Report

Soil Conservation Services

Managing Your Soil and Water DL brochure
 Fact Sheets - Project Management, Resource, Planning and Assessment
 Soil and Water Testing
 Erosion Control and Rehabilitation of Degraded Areas
 Water Resource Management
 Rural Property Management
 Education and Training
 Case Earth Awards submission

Crown Lands

State Parks - Best Playground guide
 State Parks - Marketing Kits consisting of park maps, rules and regulations, park stationery and state parks branded folder.
 Crown Land Reserve Board DL brochure
 Dividing Fences Fact Sheet
 Get on Board DL brochure
 Fact Sheets - Perpetual Leases
 Fact Sheets - Crown Land Reforms
 Enclosure Permits
 Burial Space Stakeholder Discussion Paper

Walking Tracks

Brochures for Hume and Hovell, Great North Walk, Six Foot Track.

Office of Rural Affairs

Regional Communities Consultative Council
 Office of Rural Affairs DL brochure (July 2004 and re designed in July 2005)

Valuer General's Office

Valuations Newsletter for Rate Payers (September 2004, June 2005)
 Valuation Notice re design
 Valuation Objection Form

Waste Reduction and Purchasing Policy

The Department has a Waste Reduction and Purchasing Plan in place and is committed to maintaining best practice in conservation and recycling.

The Department's Waste Reduction and Purchasing Plan aims to:

- avoid the generation of waste
- separate wastes generated for re-use or recycling
- encourage the purchase of low waste products with recycled content.

The plan identifies key wastes and opportunities for recycling, and strategies have been developed to ensure maximum recycling takes place.

Land's recycling activities include:

- waste paper
- cardboard
- aluminium
- glass
- silver flakes
- toner cartridges.

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Glossary

Aquaculture	The farming of fish, including fin fish, crustacea and molluscs outside their natural range or habitat.
ANPS	Australian National Placename Survey
ANZLIC	Australian New Zealand Land Information Council.
Attribute	Descriptive information about features or elements of a database.
Cadastral	Pertaining to the records of a cadastre, concerned with keeping a cadastre, an official register of property, with details such as boundaries and ownership.
Cadastral Map	A map showing legal survey boundaries, portion and plan numbers, parish and county names and boundaries.
Cadastre	Boundaries, roads, waterways, parcel identifiers, names, etc. which define the subdivision pattern of a locality on the ground.
Central Register of Restrictions	A centralised database containing information on government authorities' proposed interest in parcels of land throughout NSW.
Certificate of Title	The registered proprietor's copy of a folio of the Register, being a State Government guaranteed Torrens title to land.
CGNA	Committee for Geographical Names in Australia
Charting Map	Reference maps on which changes affecting land parcels, such as subdivision or easements, are charted by hand. The maps are used by staff and customers to determine current status of land parcels.
Client/Server	A computer system architecture under which the processing is undertaken partly on a central server computer and partly on intermediate servers and end-user client devices. There are various implementation models of this technique, such as two-tier architectures.
CMA	Catchment Management Authority
Community Title	Community title legislation enables shared property (association property) to be created within conventional subdivisions.
Computerised Cadastral	Land and Property Information's computerised reference map, providing an Index interface to Integrated Title System (ITS) and the Plan Imaging System, and containing the Digital Cadastral Database (DCDB) and a notations layer of data as the core data sets.
Contour	An imaginary line connecting points of equal elevation.
Control Marks/Points	A system of survey measured points marked on the ground, which are used as fixed references for positioning other surveyed features.
Conveyancing	The branch of legal practice concerned with the transfer of property rights particularly rights in real property.
Crown Land	Any land which has not been alienated by the Crown, including Crown tenures (and leased from the Crown).
Crown Land Information Database	A database containing graphic and textual information, including land accounts data, relating to leaseholds of Crown land.
Data Set	A group of related data elements.
Database	A large volume of information stored in a computer and organised in categories to facilitate retrieval.
Dealing	A document other than a caveat, which is designed to secure recording in the Register of some disposition or event, such as a transfer of ownership.
Dealing Imaging System	System of storing and retrieving electronic images of dealings utilising optical disk technology.
DEC	Department of Environment and Conservation
Deed	A contract in writing which binds a person, or which transfers an interest, right or property.
Deposited Plan	A plan lodged in LPI depicting subdivision of land.
Digital Cadastral	The legal parcel fabric (current subdivisional pattern) of the State supplied and validated by LPI.
DIPNR	Department of Infrastructure, Planning and Natural resources. As of 26 August 2005 Department of Natural Resources and Department of Planning
Database	A large volume of information stored in a computer and organized in categories to facilitate retrieval.
Differential Global	Two GPS satellite receivers, one at a known position providing positional data to a roving Positioning System receiver. Applying corrections derived from the fixed receiver increases the accuracy of positional information of the roving receiver.
Digital Terrain Model	A method of transforming elevation data into a contoured surface or a three dimensional display.
Digital Topographic	The elevation, drainage, transport and cultural components of spatial data held in the NSW

EDM	Electronic Distance Measuring	The Department of Lands
ELARD	A pilot project to test the feasibility of Electronic Lodgment and Automatic Registration of Dealings (ELARD) using two types of dealing, Discharge of Mortgage and Mortgage.	Land and Property Information Division
Electronic Commerce	A set of technologies such as electronic service delivery (ESD), electronic document/data interchange (EDI), electronic mail (email), electronic funds transfer (EFT), and workflow combined with business processes to enable users to conduct business electronically.	
Electronic Plan Examination	The comparison of new with old survey information utilising specially developed computer and an electronic survey accurate plan database.	
Electronic Plan Lodgment	Lodgment of plans in electronic form in which they were originally prepared by a surveyor.	
Electronic Service Delivery	A connect.nsw strategy to encourage NSW Government agencies to deliver customer-focussed services to NSW.	
e-RPforms	An Internet facility that provides for the direct lodgment of plan files with LPI from remote locations.	
Gazetteer	A geographical dictionary.	
Geocentric Datum	A datum that has its origin at the Earth's centre of mass.	
GDA	Geocentric Datum of Australia - a new coordinate framework for Australia, which is compatible with the Global Positioning System (GPS). The GDA was adopted in 1994 and will be implemented by the year 2000.	LPI Division
Geodetic Survey	A high precision survey that covers a large area and consequently must take into account the effect of the earth's curvature.	Financial Statements
GIS	Geographic Information System - for capturing, storing, checking, integrating, analysing and displaying data that is spatially referenced to the Earth. This is normally considered to involve a spatially referenced computer database and appropriate applications software.	Crown Lands Division
GPS	Global Positioning System - a system for determining positions using information derived from tracking satellites.	
GPR	Government Property Register database managed by LPI Division	Soil Conservation Service
Information Broker	An agent licensed by LPI to provide remote and value added information services utilising electronic data made available by the Office.	
ICSM	Inter-Government Committee on Survey and Mapping - coordinates and promotes the development and maintenance of key national spatial data, including geodetic, topographic, cadastral and geographical names on a national basis.	Office of Rural Affairs
IPW	Integrated Property Warehouse - whole-of-government approach to data sharing.	
ISO 9002/9001	International Organisation for Standardisation guidelines relating to management systems primarily concerned with quality management.	The Department of Lands
ITS	Integrated Titling System - LPI computerised record for land titles.	Financial Statements
Landirect	Online system processing Crown land applications.	
Land Parcel	An area of land with defined boundaries, which forms the fundamental unit of land information, including information about rights and interests.	
Landsat	American Earth resources satellites that scan the Earth at a variety of wavelengths. The satellites return information that can be used to inventory and analyse a variety of natural and human resources.	
Land Title	The evidence of a person's rights to land.	BOSSI
Law Stationer	An individual or corporation whose business is to conduct searches of records held by LPI and other registries and to lodge documents in those registries as the agent of legal practitioners.	
Legal Parcel	The smallest parcel of land capable of sale without further confirmation of subdivision. The physical extent of most legal parcels is defined by plans or metes and bounds descriptions held by LPI or the Crown Lands Office.	BOSSI
Licensed Conveyancer	A person licensed under the Conveyancers Licensing Act 1995 to carry out work involved in property conveyancing transactions.	Financial Statements
LPI	Land and Property Information - a division within the Department of Lands	Appendices
MFP	Moving Forward Program - Project to increase efficiency and accountability in the lodgment and registration process and improve fraud protection.	
MSIA	Mapping Science Institute Australia	
Notice of Sale	A form, which must accompany the lodgment of any document, lodged in LPI, which changes the ownership of land.	Glossary
Old System land	Land alienated from the Crown under the English Common Law title system in operation in NSW before 1863, and not yet brought under the provisions of the Real Property Act 1900.	Index

Orthophotograph	An aerial photograph that has the distortion due to tilt, curvature and ground relief corrected.
Ortho-refined	Correction of distortion in aerial photographs due to title, curvature and ground relief.
Photogrammetry	The science of the art of obtaining measurements from photographs to produce planimetric and topographic maps of the Earth's surface and of features of the built environment.
Photomosaic	An assembly of aerial photographs or other images whose edges are cut and matches to form a continuous photographic representation of a portion of the Earth's surface.
Plan Imaging System	System of storing and retrieving electronic images of the Office plan file utilising optical disk technology.
PRMF	Public Reserve Management Fund
Proclaimed Survey Areas	A proclaimed area in which surveyors carrying out real property surveys are required, under the Survey Coordination Act 1949, to connect to the existing State developed control and place additional marks where appropriate, providing for a more accurate and densely controlled survey network.
Property HUB	Repository for land information data.
PSMA	Public Sector Mapping Agencies, public agencies responsible for land information in all jurisdictions.
PUN	Place Unique Number - a unique number allocated to a place name record in the Geographical Names Register.
Raster Data	A picture or image composed of rows and columns of data cells (pixels).
Remote Sensing	The acquisition of information about the Earth's surface by electronic and/or optical instruments from satellites, airborne platforms or ground observation.
Rural Road Addressing	The application of an address to properties in rural and remote areas based on distance and from an easily recognised datum.
Satellite Imagery	A picture of the Earth taken from an Earth-orbital satellite. Images may be produced photographically or by onboard scanners.
SCIMS	Survey Control Information Management System - survey inquiry and distribution system.
SCIPS	Survey Control Image Processing System - digital/scanned images of survey mark sketch plans are held in this database. Image data can be accessed through the Survey Services Branch in Sydney.
SMIC	Survey and Mapping Industry Council
SMMF	Survey and Mapping Managers Forum
Spatial Data	Data pertaining to the location, shape and relationships among geographical features. These can be classified and stored as point, line, polygon, grid cell or object.
Strata Plan	Strata Plan - a plan lodged for registration in LPI depicting vertical subdivision of land by buildings such as home units.
The Register	This is the record kept by the Registrar General of Grants, Folios, and dealings that have been registered pursuant to Section 32 of the Real Property Act 1990.
Topographical Data	Data pertaining to representation of physical and cultural surface features.
Torrens System	A system employed in all Australian jurisdictions under which title to land is conferred by the official registration of a dealing in that land. Named after its creator, Robert Torrens, who introduced it in South Australia in 1858.
Valnet	Valuer General's automated land valuation network.
Vector Data	Spatial data in which the location of features is defined by points and straight lines (vectors). A road centre-line network would be described by vector data.
VSC	Valuation Service Contractor
WAL	Water Access Licence

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The Department of Lands

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