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## **Auditor-General's Report to Parliament Sale and lease of Crown land**

The management of the sale and lease of Crown land is not effective because oversight of decision-making is inadequate and community involvement is limited, according to a report released today by NSW Auditor-General, Margaret Crawford.

The audit found limited oversight of sales and leases of Crown land by the Department of Industry - Lands. The Department has only just started monitoring whether tenants are complying with lease conditions, and does not have a clear view of what is happening on most leased Crown land. The majority of guidance provided to staff has not been updated in the past decade, contributing to staff not correctly implementing policies on rental rebates, unpaid rent, rent redeterminations and the direct negotiation of sales and leases on Crown land.

Decisions on sale and lease of Crown land are not transparent to the public and the Department has not provided consistent opportunities for the public and interested parties to participate in decisions about Crown land. Between 2012 and 2015, 97 per cent of leases and 50 per cent of sales were negotiated directly between the Department and an individual, without a public expression of interest process. The Department publishes limited information about decision-making processes, policies or plans for future sales and leases.

The Auditor-General recommends the Department review its existing leasing portfolio to identify and resolve issues such as incorrect and outdated market rents, rental rebates and waivers which are not in line with policy and non-compliance with lease conditions. The Department should improve consultation with stakeholders to provide opportunities for involvement in decisions, increase the transparency of its decisions, provide more support to its staff to make good decisions and clarify the criteria used to justify direct negotiations of leases and sales.

The Department has recently changed its executive structure with the aim of better coordinating work, improving oversight of decision-making and clarifying accountability for achieving the Department's objectives. The audit also found that business planning for the Department has improved over the last 12 months but the strategy for Crown land could be better balanced and strengthened by including clearer indicators for social and environmental outcomes.

The Department of Industry – Lands is responsible for managing, leasing and selling Crown land. The Department manages around 8,500 leases, of which 275 are classified as 'high value' (with an annual rental return greater than \$20,000). Between 2012 and 2015 there were 225 sales of Crown land and 27 'high value' leases were approved.

### **Further Information**

A full copy of the report is on the Audit Office website.

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