

Contributing to the economic sustainability of New South Wales



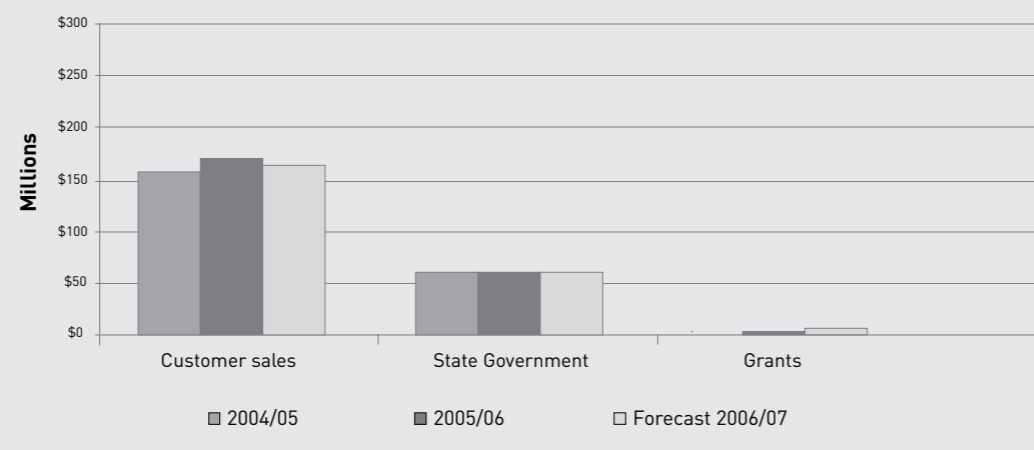
FINANCIAL SUMMARY

During 2005/06, the Department of Lands successfully met revenue and expenditure targets. Some decreases were experienced in revenue streams linked with the property market. The forecast for customer sales reflects an expectation for similar trends during 2006/07. Business operations are continually reviewed to identify fluctuations in activity levels, as well as opportunities for growth and efficiency improvements.

During the 2006/07 financial year, Lands will have increasing savings targets to achieve, in line with overall efficiencies across the NSW Public Sector.

In addition to revenue shown in the table on the next page, Lands generated revenue of \$91.5 million from Crown leases, licences and sales of Crown land, which was above the target of \$77.8 million. As these activities are administered on behalf of the Crown Entity, this revenue is not retained by Lands but is paid to the Crown Entity within the Consolidated Fund.

Revenue by source

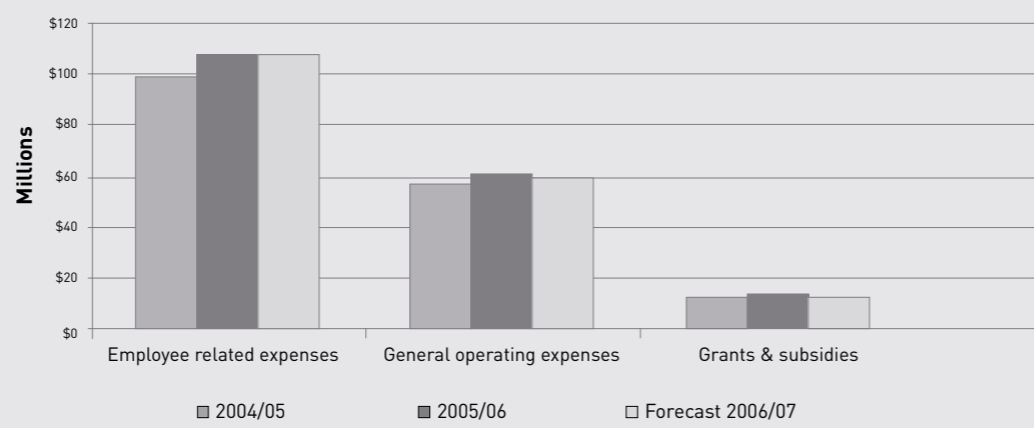


Revenue

	Actual 2004/05	Actual 2005/06	Forecast 2006/07
Customer sales	\$160.3m (73.0%)	\$170.2m (74%)	\$165.1m (73%)
State Government ¹	\$58.7m (26.7%)	\$56.8 m (25%)	\$57.4 m (25%)
Grants	\$0.6m (0.3%)	\$2.3 m (1%)	\$3.7m (2%)

1. State Government funding is provided to meet the costs of Crown land administration and policy development, community service obligation grants to LPI and funding to meet operating costs of the Office of Rural Affairs.

Major expenditure categories



Expenditure

	Actual 2004/05	Actual 2005/06	Forecast 2006/07
Employee related expenses ²	\$92.8m (53.3%)	\$108.2m (59%)	\$107.4 m (60%)
General operating expenses	\$56.5m (32.5%)	\$60.4 m (33%)	\$59.5 m (33%)
Grants & subsidies	\$12.6m (7%)	\$13.6 m (8%)	\$12.0 m (7%)

2. For comparative purposes, employee related expenses are shown excluding superannuation costs and prior period adjustments related to AEIFRS transition.